United States Court of Appeals for the Second Circuit

APPENDIX

ORIGINAL

76-7528

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P/S

United States Court of Appeals
FOR THE SECOND CIRCUIT

UNITED STATES STEEL AND CARNEGIE PENSION FUND, INC., CONNECTICUT MUTUAL LIFE INSURANCE COMPANY, and THE NATIONAL BANK OF COMMERCE OF DALLAS (AS TRUSTEE OF THE OMEGA-ALPHA, INC. POOL TRUST),

Plaintiffs-Appellants,

—against—

HENRY ORENSTEIN, FIRST NATIONAL CITY BANK, HAYDEN STONE INC., BERNSTEIN-MACAULAY, INC., ROGER S. BERLIND, and SANFORD I. WEILL,

Defendants,

—and—

FIRST NATIONAL CITY BANK,

Defendant-Appellee.

ON APPEAL FROM THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

UNITED STATES COURT OF APPEALS
FILED
JAN 31 1977
A. DANIEL FUSARO, CLERK
SECOND CIRCUIT

JOINT APPENDIX
Volume IV
(Pages A2393 to A3196)

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of exchange?

A Thinking back to that period of time it is a little difficult to reconstruct exactly what basis that understanding was based upon. However, I recollect that Jack Rose and other individuals who were employed by Topper informed me.

Q During the 1970 audit were you aware that at a prior time in Topper's history it had granted customers rights to return merchandise?

A At the time of the 1970 audit I was aware that a number of years prior to that time Topper had a program whereby toys were marketed through supermarkets with a right of return.

Q Do you recall when Topper had such a marketing program under which it allowed rights of return?

A I believe that program came to an end around 1965. As to the exact years in which that program was in effect, I do not now recall.

Q Do you recall how you learned that Topper had discontinued the marketing program under which it allowed rights to return?

A My recollection is that Topper management decided to discontinue that program around 1965 because they made that decision for business reasons.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

- - - - - - - - - - - - - - - - - - - -X

LESTER CONNELL, et al., :

Plaintiffs, :

-against- :

BERNSTEIN-MACAULAY, INC., :
et al., :

Defendants. :

: Consolidated Index No.
- - - - - - - - - - - - - - - - - - - -X 72 Civ. 3272 (WK)

UNITED STATES STEEL AND CARNEGIE :
PENSION FUND, INC., et al., :

Plaintiffs, :

-against- :

HENRY ORENSTEIN, et al., :

Defendants. :

- - - - - - - - - - - - - - - - - - - -X

DEFENDANT CITIBANK'S REVISED REQUEST FOR ADMISSIONS FROM PLAINTIFFS

[QUESTIONS AND ANSWERS]

Q. 1. Topper reported net income (losses) for fiscal years 1966, 1967, 1968, 1969 and 1970, as follows:

Fiscal Year	Net Income (or Loss)
1966*	$ (13,714,721)
1967**	(833,144)
1968	596,214
1969	2,716,373
1970	353,127

* For the period 10/4/66 - 2/4/67

** For the period 2/5/67 - 12/31/67

A. 1. Admit the matters set forth in Request 1.

Q. 2. Topper's net income (loss) year to date for 1968, 1969, 1970 and 1971, as shown in the unaudited monthly Financial Statements prepared by Topper, was as follows:

	1968	1969	1970	1971
January	$ (511,000)	$ (535,000)	$ (732,000)	$ (720,180)
February	(959,000)	(1,052,000)	(1,621,000)	(1,115,503)
March	(1,158,000)	(998,000)	(2,047,000)	(398,017)
April	(776,000)	(662,000)	(1,875,000)	(434,213)
May	(660,000)	(533,000)	(1,345,000)	(339,393)
June	40,000	(194,000)	(954,000)	306,541
July	188,000	317,000	(243,000)	119,296
August	236,000	1,594,000	516,000	173,480
September	268,000	2,256,000	168,000	1,472,011
October	36,000	2,400,000	(76,000)	N.A.
November	43,000	1,802,000	189,000	N.A.
December	596,000	2,176,000	353,127	N.A.

A. 2. Admit the matters set forth in Request 2.

Q. 3. Topper's net income (loss) per month from January 1970 through September 1971, as shown in the unaudited monthly Financial Statements prepared by Topper, was as follows:

	1970	1971
Jan	(732,000)	(720,180)
Feb	(889,000)	(395,322)
Mar	(693,000)	717,486
Apr	172,000	(34,952)
May	530,000	94,820
June	391,000	645,934
July	711,000	(187,246)
August	759,000	54,184
Sept	(348,000)	1,298,532
Oct	(409,000)	N.A.
Nov	267,000	N.A.
Dec	258,458	N.A.

A. 3. Admit the matters set forth in Request 3.

Q. 4. Topper's net sales for the year to date for 1968, 1969, 1970 and 1971, as shown in the unaudited monthly Finacial Statements prepared by Topper, were as follows:

	1968	1969	1970	1971
January	$ 291,000	$ 41,000	$ 835,000	$ 280,822
February	297,000	46,000	1,213,000	1,045,427
March	975,000	1,558,000	2,103,000	4,900,227
April	3,478,000	4,895,000	6,767,000	8,007,840
May	6,083,000	8,534,000	12,601,000	11,737,205
June	9,972,000	12,911,000	17,607,000	19,312,847
July	13,845,000	17,718,000	24,219,000	22,502,390
August	18,551,000	23,994,000	30,205,000	27,379,547
September	23,073,000	31,154,000	36,854,000	37,778,689
October	27,865,000	40,020,000	43,455,000	N.A.
November	33,175,000	48,897,000	51,704,000	N.A.
December	35,036,000	53,723,000	63,935,619	N.A.

A. 4. Admit the matters set forth in Request 4.

Q. 5. Topper's projected collections as shown on Topper's Projected Statement of Operations for the Period Ending December 31, 1971 (PX 6), and its actual collections, as shown on the Loan Balance pages of the Loan Status Worksheets prepared by Topper, for each month of 1971, together with year to date calculations not included in the above documents but prepared from such data, were as follows:

1971	Projected Monthly Collections	Projected Collections Year to Date	Actual Monthly Collections	Actual Collections Year to Date
January	$10,800,000	$10,800,000	$10,718,984	$10,718,984
February	1,030,000	11,830,000	1,580,397	12,299,381
March	1,240,000	13,070,000	1,190,451	13,489,832
April	1,565,000	14,635,000	3,396,306	16,886,138
May	* 5,495,000	20,130,000	**2,443,315	19,329,453

June	3,775,000	23,905,000	2,160,313	21,489,766
July	4,355,000	28,260,000	2,623,802	24,113,568
August	6,115,000	34,375,000	4,011,527	28,125,095
September	6,430,000	40,805,000	4,453,417	32,578,512
October	8,040,000	48,845,000	5,341,722	37,920,234
November	10,040,000	58,885,000	4,959,842	42,880,076
December	13,065,000	71,950,000	5,123,718	48,003,794

* Excludes $3,000,000.00 projected receipts related to anticipated public offering.

** Excludes $6,361,351.50 receipts of public offering as shown on Loan Balance page of Loan Status Worksheets.

A. 5. Plaintiffs object to the matters set forth in Request 5 on grounds that such presentation assumes a set of facts not in evidence, but admit that the data set forth in the colums labeled "Projected Monthly Collections", "Projected Collections Year to Date", "Actual Monthly Collections", and "Actual Collections Year to Date".

Q. 5A. (1) Topper's projected collections, as shown on Citibank's Exhibit 110, for each month of 1970, (2) a calculation of such projected collections year to date, (3) Topper's actual collections as reported on the unaudited monthly Financial Statements prepared by Topper, for each month of 1970, and (4) a calculation of the percentage of actual collections year to date to projected collections year to date, are as follows:

	(1)	(2)	(3)	(4)
1970 Month	Projected Collections	Projected Collections Year to Date	Reported Collections Year to Date	Percentage Actual/ Projected Year to Date
January	$ 9,650,000	$ 9,650,000	$10,450,690	108%
February	990,000	10,640,000	12,244,531	115%

March	1,080,000	11,720,000	13,098,554	112%
April	570,000	12,290,000	13,861,394	113%
May	4,260,000	16,550,000	15,398,402	93%
June	1,900,000	18,450,000	17,459,396	95%
July	3,780,000	22,230,000	21,419,296	96%
August	4,210,000	26,440,000	25,235,283	95%
September	[illegible]0,000	31,890,000	31,363,384	98%
October	6,760,000	38,650,000	37,437,174	97%
November	9,520,000	48,170,000	43,923,147	91%
December	9,830,000	58,000,000	51,077,298	88%

A. 5A. Plaintiffs object to the matters set forth in Request 5A on grounds that such presentation assumes a set of facts not in evidence, but admit the data set forth in the columns labeled "Projected Collections Year to Date" and "Reported Collections Year to Date".

Q. 6. Topper's projected collections, as shown on a document entitled the first revision of Topper's Projected Statement of Operations for 1970 (PX 1191), and its actual collections as shown on the Loan Balance pages of the Loan Status Worksheets prepared by Topper, for each month of 1970, together with year to date calculations not included in the above documents but prepared from such data, were as follows:

1970	Projected Monthly Collections	Projected Collections Year to Date	Actual Monthly Collections	Actual Collections Year to Date
January	$11,650,000	$11,650,000	$10,450,690	$10,450,690
February	1,975,000	13,625,000	1,793,841	12,244,531
March	969,000	14,594,000	854,023	13,098,554
April	1,126,000	15,720,000	762,840	13,861,394
May	5,328,000	21,048,000	1,537,008	15,398,402
June	4,165,000	25,213,000	* 2,060,994	17,459,396
July	5,173,000	30,386,000	3,959,900	21,419,296

August	6,823,000	37,209,000	3,815,987	25,235,283
September	8,719,000	45,928,000	6,128,101	31,363,384
October	10,510,000	56,,438,000	6,073,790	37,437,174
November	11,799,000	68,237,000	6,485,973	43,923,147
December	19,594,000	87,831,000	7,154,151	51,077,298

- Excludes $2,281,475.00 receipts of public offering as shown on Loan Balance page of Loan Status Worksheets.

A. 6. Admit the matters set forth in Request 6.

Q*. 7. According to Topper's first revised projections for 1970 (PX 1191) and its original projections for 1971 (PX 6), actual customer collections for the first seven months of 1970 $21,419,296) were 70% of projection collections year to date ($30,386,000) and actual collections for the first seven months of 1971 ($24,113,568) were 85% of projected collections ($28,260,000).

Q*. 8. According to Topper's first revised projections for 1970 (PX 1191) and its original projections for 1971 (PX 6), actual customer collections for the first eight months of 1970 ($25,235,283) were 68% of projected collections year to date ($37,209,000) and actual collections for the first eight months of 1971 ($28,125,095) were 82% of projected collections ($34,375,000).

Q*. 9. According to Topper's first revised projections for 1970 (PX 1191) and its original projections for 1971 (PX 6), actual customer collections for the first nine months of 1970 ($31,363,384) were 68% of projected collections year to date ($45,928,000) and actual collections for the first nine months of 1971 ($32,578,512) were 80% of projected collections ($40,805,000).

A*. 7, 8 and 9. Plaintiffs have made reasonable inquiries and information known or readily obtainable by them is insufficient to enable plaintiffs to admit or deny that any basis exists for the comparison set forth in Requests 7, 8 or 9; such comparisons are predicated on the second page of PX 1191, a draft of a projected analysis of Topper's receivables and inventories for 1970 entitled "First Revision 11/15", which plaintiffs have no reason to believe was, or even approximated, Topper's final set of projections for 1970, prepared in late December 1969 or early January 1970 (CBX 110). The only independent source for verifying the finality or accuracy of data set forth in PX 1191 is CBX 110 and certain memoranda contained in the Citibank Contract File (PX 667, PX 672 and PX 710), each of which indicates that Topper prepared and forwarded to Citibank data significantly different from that set forth in PX 1191.

Q. 10. Topper's projected net sales, as shown on Topper's Projected Statement of Operations for the Period Ending December 31, 1971 (PX 6), and its net sales, as reported on the unaudited Financial Statements prepared by Topper, for each month of 1971, together with a calculation of the percentage of reported net sales year to date to projected net sales year to date, are as follows:

1971	Projected Monthly Net Sales	Projected Net Sales Year to Date	Reported Net Sales	Reported Ne Sales Year to Date
January	$ 100,000	$ 100,000	$ 280,822	$ 280,222
February	800,000	900,000	764,604	1,045,427
March	3,100,000	4,000,000	3,854,800	4,900,227
April	3,600,000	7,600,000	3,107,613	8,007,840
May	4,200,000	11,800,000	3,729,365	11,737,205
June	5,200,000	17,000,000	7,575,642	19,312,847

July	6,200,000	23,200,000	3,189,543	22,502,390
August	7,800,000	31,000,000	4,877,157	27,379,547
September	9,000,000	40,000,000	10,399,142	37,778,689
October	9,300,000	49,300,000	N.A.	N.A.
November	11,700,000	61,000,000	N.A.	N.A.
December	7,000,000	68,000,000	N.A.	N.A.

A. 10. Plaintiffs object to the matters set forth in Request 10 on grounds that such presentation assumes a set of facts not in evidence, but admit the data set forth in the columns labeled "Projected Monthly Net Sales", "Projected Net Sales Year to Date", "Reported Net Sales" and "Reported Net Sales Year to Date".

Q. 10A. (1) Topper's projected net sales, as shown on Citibank's Exhibit 110, for each month of 1970, (2) a calculation of such projected net sales year to date, (3) Topper's net sales as reported on the unaudited monthly Financial Statements prepared by Topper, for each month of 1970, and (4) a calculation of the percentage of reported net sales year to date to projected net sales year to date, are as follows:

1970 Month	(1) Projected Net Sales	(2) Projected Net Sales Year to Date	(3) Reported Net Sales Year to Date	(4) Percentage Actual/ Projected Year to Date
January	$ 1,000,000	$ 1,000,000	$ 835,000	84%
February	1,000,000	2,000,000	1,213,000	61%
March	2,000,000	4,000,000	2,103,000	53%
April	3,000,000	7,000,000	6,767,000	97%
May	4,000,000	11,000,000	12,601,000	115%

June	6,000,000	17,000,000	17,607,000	104%
July	8,000,000	25,000,000	24,219,000	97%
August	9,000,000	34,000,000	30,205,000	89%
September	10,000,000	44,000,000	36,854,000	84%
October	12,000,000	56,000,000	43,455,000	78%
November	12,000,000	68,000,000	51,704,000	76%
December	5,500,000	73,500,000	63,935,619*	87%

* This amount differs from the total of the November, 1970 reported net sales year to date and the December, 1970 reported nets sales apparently, because an attempt was made in the December reported net sales year to date to correct for previous rounding errors in reported net sales.

A. 10A. Plaintiffs object to the matters set forth in Request 5 on grounds that such presentation assumes a set of facts not in evidence, but admit the data set forth in the columns labeled "Projected Net Sales", "Projected Net Sales Year to Date", "Reported Net Sales Year to Date".

Q*. 11. Topper's projected net sales, as shown on the first revision of Topper's Projected Statement of Operations for 1970 (PX 1191) and its net sales, as reported on the unaudited monthly Financial Statements prepared by Topper, for each month of 1970 and on a year to date basis, together with calculations of year to date projected net sales not included in PX 1191 but prepared from data included therein, were as follows:

1970	Projected Net Sales	Projected Net Sales Year to Date	Reported Net Sales	Reported Net Sales Year to Date
January	$ 2,500,000	$ 2,500,000	$ 835,000	$ 835,000
February	2,600,000	5,100,000	378,000	1,213,000
March	3,300,000	8,400,000	890,000	2,103,000
April	5,900,000	14,300,000	4,664,000	6,767,000
May	7,700,000	22,000,000	5,834,000	12,601,000
June	9,900,000	31,900,000	5,006,000	17,607,000
July	11,000,000	42,900,000	6,612,000	24,219,000

August	12,700,000	55,600,000	5,986,000	30,205,000
September	13,900,000	69,500,000	6,649,000	36,854,000
October	14,1[illegible]	83,600,000	6,601,000	43,455,000
November	17,200,000	100,800,000	8,249,000	51,704,000
December	5,400,000	106,200,000	14,111,884	62,935,619 *

* This amount differs from the total of the November, 1970 reported net sales year to date and the December, 1970 reported nets sales apparently because an attempt was made in the December reported net sales year to date to correct for previous rounding errors in reported net sales.

Q*. 12. According to Topper's first revised projections for 1970 (PX 1191) and its original projections for 1971 (PX 6), net sales year to date for the first seven months of 1970 ($24,219,000) were 56% of projected net sales year to date ($42,900,000) and net sales year to date for the first seven months of 1971 ($22,502,390) were 97% of projected net sales year to date for such period ($23,200,000).

Q*. 13. According to Topper's first revised projections for 1970 (PX 1191) and its original projections for 1971 (PX 6), net sales year to date for the first eight months of 1970 ($30,205,000) were 54% of projected net sales Year to date ($55,600,000) and net sales year to date for the first eight months of 1971 ($27,379,547) were 88% of projected net sales year to date for such period ($31,000,000).

Q*. 14. According to Topper's first revised projections for 1970 (PX 1191) and its original projections for 1971 (PX 6), net sales year to date for the first nine months of 1970 ($36,854,000) were 53% of projected net sales year to date ($69,500,000) and net sales year to date for the first nine months of 1971 ($37,778,689) were 94 of projected net sales year to date for such period ($40,000,000).

A*. 11, 12, 13 and 14. Plaintiffs have made reasonable inquiries and information known or readily obtainable by them is insufficient to enable plaintiffs to admit or deny that any basis exists for the comparison set forth in Requests 11, 12, 13 and 14; such comparisons are predicated on the second page of PX 1191, a draft of a projected analysis of Topper's receivables and inventories for 1970 entitled "First Revision 11/15", which plaintiffs have no reason to believe was, or even approximated Topper's final set of projections for 1970, prepared in late December 1969 or early January 1970 (CBX 110). The only independent source for verifying the finality or accuracy of data set forth in PX 1191 is CBX 110 and certain memoranda contained in the Citibank Contract File (PX 667, PX 672 and PX 710), each of which indicates that Topper prepared and forwarded to Citibank data significantly different from that set forth in PX 1191.

Q. 15. On or about July 27, 1970 Waldman, Holtzman, Siegel and Stampleman of Citibank met with Orenstein, Downs and Rose at Topper, at which meeting Topper's revised projections were received and reviewed.

A. 15. Admit the matters set forth in Request 15.

Q*. 16. According to Topper's preliminary projections for 1970 (Citibank Exhibit 110) and its original projections for 1971 (PX 6), net sales year to date for the first seven months of 1970 ($24,219,000) we 97% of projected net sales year to date ($25,000,000) and net sales year to date for the first seven months of 1971 (22,502,390) were 97% of projected net sales year to date for such period ($23,200,000).

Q*. 16A. According to Topper's preliminary projections for 1970 (Citibank Exhibit 110) and its original projections for 1971 (PX 6), net sales year to date for the first eight months of 1970 ($30,205,000) were 89% of projected net sales year to date ($34,000,000) and net sales year to date for the first eight months of 1971 ($27,379,547) were 88% of projected net sales year to date for such period ($31,000,000).

Q*. 16B. According to Topper's preliminary projections for 1970 (Citibank Exhibit 110) and its original projections for 1971 (PX 6), net sales year to date for the first nine months of 1970 ($36,854,000) were 84% of projected net sales year to date ($44,000,000) and net sales year to date for the first nine months of 1971 ($37,778,689) were 94% of projected net sales year to date for such period ($40,000,000).

A*. 16, 16A and 16B. Deny that any basis exists for the comparisons set forth in Requests 16, 16A and 16B, except admit that in late December 1969 or early January 1970, Topper prepared a projected statement of operations by month for 1970 (CBX 110), which Topper delivered to Citibank and described as "conservative" (_id._ at 4), and which projected sales and collections by month for 1970 as follows:

1970 Month	Projected Sales	Projected Collections
January	$ 1,000,000	$ 9,650,000
February	1,000,000	990,000
March	2,000,000	1,080,000
April	3,000,000	570,000
May	4,000,000	4,260,000
June	5,000,000	1,900,000
July	8,000,000	3,780,000
August	9,000,000	4,210,000

September	10,000,000	5,450,000
October	12,000,000	6,760,000
November	12,000,000	9,520,000
December	5,500,000	9,830,000
Totals	$73,500,000	$58,000,000

Q. 17. The maximum loan balance under the Finance Agreement, dated October 4, 1966 and as amended on each of the dates below, was as follows:

On or After	Amount
October 4, 1966 (per PX 506)	$20 million
February 16, 1967 (per PX 511)	11.25 million
December 28, 1967 (per PX 512)	8 million
February 5, 1970 (per PX 535)	15.5 million
May 18, 1970 (per May 28, 1970 letter from Lending Banks to Topper)	18.5 million
July 15, 1971 (per PX 543)	21 million
August 25, 1971 (per PX 546)	21 million

A. 17. Admit the matters set forth in Request 17.

Q. 18. Advance Sheets prepared by Citibank for each business day during the first nine months of 1971 showed the amount of (a) accounts receivable 61 days or more past due, (b) accounts receivable otherwise ineligible for advances, (c) the amount of availability for advances for which Topper's requests for funds. could be approved or the amount of funds advances in excess of the lending limits set by the Lending Banks via the existing loan formula, hereinafter, "over-advances" and (d) the additional advance made based upon a review of such availability (or over-advance), if any, as follows:

Date	(a) Receivables 61 Days or More Past Due	(b) Otherwise Ineligible Receivables	(c) Available for Advances (or Over-Advances)	(d) Advance made Based on Availability in (c)
1/4/71	$ 3,832,221	$ 2,450,907	$ (243,497)	$ 300,000
1/5/71	3,832,221	3,773,373	(345,333)	300,000
1/6/71	3,832,221	3,883,316	(636,432)	150,000
1/7/71	3,832,221	3,464,863	(738,752)	None
1/8/71	3,832,221	3,461,160	(645,917)	500,000
1/11/71	3,832,221	3,440,548	(1,151,260)	None
1/12/71	3,832,221	3,440,548	(1,087,005)	275,000
1/13/71	3,832,221	3,417,432	(1,264,151)	150,000
1/14/71	3,832,221	2,645,263	(1,332,097)	100,000
1/15/71	3,832,221	2,645,263	(1,300,808)	150,000
1/18/71	3,582,156	2,580,208	(1,330,755)	250,000
1/19/71	3,582,156	2,580,208	(1,384,708)	150,000
1/20/71	3,582,156	2,580,208	(1,362,008)	150,000
1/21/71	3,299,156	2,580,208	(1,125,211)	250,000
1/22/71	3,285,313	2,580,208	(819,233)	350,000
1/25/71	3,181,052	2,910,757	(866,130)	300,000
1/26/71	4,739,985	4,394,732	(606,180)	250,000
1/27/71	4,430,639	4,381,664	(713,168)	350,000
1/28/71	4,252,639	4,161,664	(493,583)	425,000
1/29/71	4,154,397	4,129,374	(860,159)	500,000
2/1/71	4,154,394	4,129,374	(1,465,301)	500,000
2/2/71	4,118,588	4,113,116	(1,800,384)	150,000
2/3/71	4,118,588	4,113,116	(1,879,535)	100,000
2/4/71	4,092,964	4,140,866	(1,927,397)	100,000
2/5/71	4,092,964	4,140,866	(2,130,185)	300,000

Date	(a) Receivables 61 Days or More Past Due	(b) Otherwise Ineligible Receivables	(c) Available for Advances (or Over-Advances)	(d) Advance Made Based on Availability in (c)
2/8/71	$ 4,092,964	$ 4,068,125	$ (2,106,669)	$ 600,000
2/9/71	4,092,964	4,372,182	(3,150,245)	400,000
2/10/71	4,092,964	4,372,887	(3,974,822)	150,000
2/11/71	4,092,964	4,372,887	(3,291,763)	400,000
2/16/71	4,558,395	4,006,879	(2,692,820)	350,000
2/17/71	4,558,395	4,497,555	(3,586,820)	600,000
2/18/71	4,558,395	4,497,555	(4,133,224)	250,000
2/19/71	4,558,395	4,497,555	(4,155,904)	300,000
2/22/71	4,282,155	4,497,555	(347,187)	100,000
2/23/71	4,282,155	47,963	110,949	300,000
2/24/71	4,261,067	47,963	504,725	150,000
2/25/71	4,261,067	47,963	(575,661)	750,000
2/26/71	4,261,067	47,963	(37,073)	100,000
3/1/71	4,261,067	47,963	(120,719)	100,000
3/2/71	4,261,067	47,963	213,826	100,000
3/3/71	4,261,067	47,963	199,520	100,000
3/4/71	4,261,067	47,963	(863,000)	100,000
3/5/71	4,261,067	47,963	(2,350,715)	200,000
3/8/71	4,261,067	3,067,963	(2,504,276)	300,000
3/9/71	4,261,067	3,067,963	(1,473,655)	100,000
3/10/71	4,261,067	3,915,194	(796,597)	None
3/11/71	4,228,791	993,[illegible]3	[illegible]08,201	100,000
3/12/71	4,228,791	996,347	715,892	100,000
3/15/71	4,228,791	996,347	36,495	100,000
3/16/71	4,228,791	996,347	(62,201)	250,000

Date	(a) Receivables 61 Days or More Past Due	(b) Otherwise Ineligible Receivables	(c) Available for Advances (or Over-Advances)	(d) Advance Made Based on Availability in (c)
3/17/71	$ 5,372,455	$ 1,042,977	$ 12,341	$ 100,000
3/18/71	5,372,455	1,040,977	67,244	250,000
3/19/71	5,372,455	1,040,977	106,145	100,000
3/22/71	5,372,455	1,040,977	13,027	200,000
3/23/71	5,372,455	1,040,977	(213,048)	50,000
3/24/71	5,240,281	1,053,853	(76,328)	250,000
3/25/71	5,226,806	1,128,338	(257,972)	350,000
3/26/71	5,226,806	1,128,338	(512,426)	100,000
3/29/71	5,226,806	1,128,338	(445,955)	200,000
3/30/71	5,226,806	1,160,751	(380,049)	150,000
3/31/71	5,226,806	1,160,751	(183,792)	250,000
4/1/71	5,197,294	1,292,827	(142,120)	150,000
4/2/71	5,185,100	1,305,311	629,949	250,000
4/5/71	5,172,386	1,578,194	189,333	200,000
4/6/71	5,172,386	1,578,194	(100,040)	None
4/7/71	5,026,914	1,578,194	25,900	100,000
4/8/71	4,927,398	1,573,194	(72,123)	100,000
4/9/71	4,927,398	1,573,194	(172,124)	100,000
4/12/71	4,927,398	1,573,194	(2,177,435)	None
4/13/71	7,843,625	1,359,072	(2,342,695)	350,000
4/14/71	7,839,602	1,361,513	(2,554,282)	100,000
4/15/71	7,797,847	1,362,105	(2,784,687)	350,000
4/16/71	7,787,686	1,537,952	(2,882,607)	275,000
4/19/71	7,787,686	1,738,045	(3,188,609)	150,000

Date	(a) Receivables 61 Days or More Past Due	(b) Otherwise Ineligible Receivables	(c) Available for Advances (or Over-Advances)	(d) Advances Made Based on Availability in (c)
4/20/71	$ 7,787,686	$ 1,738,045	$ (3,125,727)	$ 250,000
4/21/71	7,787,686	1,766,794	(3,014,242)	250,000
4/22/71	7,608,335	1,722,644	(3,296,619)	100,000
4/23/71	7,608,335	1,722,644	(3,299,964)	100,000
4/26/71	7,608,335	1,722,644	(3,200,163)	200,000
4/27/71	7,596,160	1,794,230	(3,302,579)	150,000
4/28/71	7,596,160	1,794,230	(3,198,802)	150,000
4/29/71	7,591,079	1,838,698	(3,411,210)	100,000
4/30/71	7,591,079	1,939,116	(3,630,504)	250,000
5/3/71	7,591,079	1,961,315	(3,439,260)	400,000
5/4/71	7,591,079	1,798,206	(3,584,186)	450,000
5/5/71	7,586,179	1,804,166	(4,004,871)	450,000
5/6/71	7,586,179	1,804,166	(4,405,339)	200,000
5/7/71	7,565,550	1,832,874	1,435,920	200,000
5/10/71	7,565,550	1,834,968	1,25[illegible],594	800,000
5/11/71	7,364,712	2,025,466	562,288	200,000
5/12/71	7,495,728	2,085,981	889,469	200,000
5/13/71	7,467,651	2,085,981	1,028,706	200,000
5/14/71	7,467,651	2,085,981	820,328	200,000
5/17/71	7,467,651	2,085,981	809,785	250,000
5/18/71	7,429,454	2,085,981	888,475	150,000
5/19/71	7,429,454	2,140,848	698,581	300,000
5/20/71	7,429,454	2,140,848	555,887	350,000
5/21/71	7,429,454	2,154,704	375,103	300,000

Date	(a) Receivables 61 Days or More Past Due	(b) Otherwise Ineligible Receivables	(c) Available for Advances (or Over-Advances)	(d) Advances Made Based on Availability in (c)
5/24/71	$ 7,429,454	$ 2,181,635	$ 262,819	$ 400,000
5/25/71	7,388,659	2,322,699	(217,369)	300,000
5/26/71	7,388,659	2,322,699	(410,616)	200,000
5/27/71	7,388,659	2,388,886	(358,613)	100,000
5/28/71	7,359,227	2,420,931	(638,198)	300,000
6/1/71	7,359,227	2,420,931	(1,183,590)	400,000
6/2/71	7,145,359	2,880,644	(1,346,534)	400,000
6/3/71	6,931,878	2,846,457	(1,103,668)	200,000
6/4/71	6,468,978	2,636,639	(1,338,810)	None
6/7/71	6,468,978	2,640,911	(1,157,027)	550,000
6/8/71	5,928,528	2,639,791	(235,238)	300,000
6/9/71	3,974,835	2,639,791	441,770	150,000
6/10/71	3,824,835	2,624,428	452,527	150,000
6/11/71	3,749,096	2,624,428	442,888	150,000
6/14/71	3,749,096	2,626,560	476,934	200,000
6/15/71	3,749,096	2,626,560	270,544	100,000
6/16/71	3,650,079	2,626,560	428,644	300,000
6/17/71	3,635,806	2,632,397	224,281	100,000
6/18/71	3,635,806	2,632,397	329,250	200,000
6/21/71	3,635,806	2,641,391	182,096	200,000
6/22/71	3,635,806	3,002,253	134,418	200,000
6/23/71	3,619,746	3,146,105	144,988	200,000
6/24/71	3,619,746	3,171,655	404,291	300,000
6/25/71	3,619,746	3,255,806	528,265	200,000

Date	(a) Receivables 61 Days or More Past Due	(b) Otherwise Ineligible Receivables	(c) Available for Advances (or Over-Advances)	(d) Advances Made Based on Availability in (c)
6/28/71	$ 3,619,746	$ 3,255,806	$ 710,695	$ 450,000
6/29/71	3,619,746	4,091,295	101,770	1,400,000
6/30/71	3,619,746	4,091,295	(787,560)	100,000
7/1/71	3,619,746	4,249,214	(864,857)	100,000
7/2/71	3,506,130	5,449,065	27,664	200,000
7/6/71	3,506,130	5,564,647	(154,998)	200,000
7/7/71	3,506,130	5,565,308	(316,483)	100,000
7/8/71	3,506,130	5,462,195	(358,951)	50,000
7/9/71	3,506,130	5,462,195	(297,101)	50,000
7/12/71	3,506,130	5,526,880	(235,958)	100,000
7/13/71	3,506,130	5,526,880	(282,375)	100,000
7/14/75	3,479,587	5,752,096	(341,810)	200,000
7/15/71	3,479,587	5,541,918	(330,817)	175,000
7/16/71	3,479,587	5,541,918	(432,583)	200,000
7/19/71	3,479,587	5,541,918	(471,650)	500,000
7/20/71	3,479,587	5,546,773	(937,137)	100,000
7/21/71	3,643,578	5,509,939	(1,074,480)	200,000
7/22/71	3,643,578	5,509,939	(1,141,998)	100,000
7/23/71	3,539,782	5,659,645	(1,126,046)	100,000
7/26/71	3,539,782	5,659,645	(491,697)	300,000
7/27/71	3,539,782	5,659,645	(690,159)	100,000
7/28/71	3,539,782	5,658,645	(534,971)	200,000
7/29/71	3,539,782	5,738,538	(558,857)	200,000
7/30/71	3,539,782	5,738,538	(622,615)	250,000

Date	(a) Receivables 61 Days or More Past Due	(b) Otherwise Ineligible Receivables	(c) Available for Advances (or Over-Advances)	(d) Advance Made Based on Availability in (c)
8/2/71	3,539,782	5,738,538	$ (988,326)	$ 500,000
8/3/71	3,539,782	5,957,945	(2,606,777)	200,000
8/4/71	3,539,782	5,906,340	(1,129,584)	200,000
8/5/71	3,539,782	5,906,340	(1,191,497)	100,000
8/6/71	3,539,782	5,906,340	(1,049,828)	175,000
8/9/71	3,539,782	5,906,340	(1,068,334)	225,000
8/10/71	3,539,782	5,906,340	(1,149,520)	225,000
8/11/71	3,539,782	5,906,340	(1,170,971)	150,000
8/12/71	3,539,782	5,906,340	(1,257,175)	None
8/13/71	9,520,409	4,382,112	(4,407,819)	200,000
8/16/71	9,520,409	4,209,901	(4,329,283)	None
8/17/71	9,520,409	4,209,901	(4,245,278)	570,000
8/18/71	9,609,751	4,158,423	(4,507,990)	250,000
8/19/71	9,536,812	4,158,423	(4,505,615)	250,000
8/20/71	9,536,812	4,158,423	(4,518,369)	250,000
8/23/71	9,536,812	4,158,423	(4,446,997)	200,000
8/24/71	9,536,812	4,237,552	(4,581,581)	150,000
8/25/71	9,536,812	4,237,552	(4,436,751)	250,000
8/26/71	9,536,812	4,427,708	(4,891,375)	150,000
8/27/71	9,536,812	4,428,868	(5,052,302)	250,000
8/30/71	9,536,812	4,428,868	(4,708,183)	200,000
8/31/71	9,536,812	4,430,668	(4,631,104)	200,000

Date	(a) Receivables 61 Days or More Past Due	(b) Otherwise Ineligible Receivables	(c) Available for Advances (or Over-Advances)	(d) Advance Made Based on Availability in (c)
9/1/71	$ 9,536,812	$ 4.482.299	$(4,467,082)	$150,000
9/2/71	9,536,812	4,775,849	(4,194,162)	350,000
9/3/71	9,536,812	4,775,849	(4,512,935)	200,000
9/7/71	9,536,812	4,775,849	(4,479,755)	400,000
9/8/71	9,536,812	4,775,849	(4,531,238)	200,000
9/9/71	9,536,812	4,775,849	(4,603,020)	200,000
9/10/71	9,536,812	4,775,849	(4,546,618)	100,000
9/13/71	9,536,812	4,775,849	(4,564,255)	300,000
9/14/71	9,470,436	4,775,849	(4,566,502)	200,000
9/15/71	9,470,436	4,775,849	(4,907,333)	None
9/16/71	9,327,242	4,773,486	(4,598,046)	200,000
9/17/71	9,327,242	4,773,486	(3,917,270)	250,000
9/20/71	9,302,602	4,773,486	(3,350,777)	575,000
9/21/71	9,302,602	4,773,486	(2,850,930)	100,000
9/22/71	9,302,602	138,083	(2,574,316)	100,000
9/23/71	9,302,602	138,083	(2,655,130)	100,000
9/24/71	9,302,602	138,083	(2,308,953)	200,000
9/27/71	9,302,602	138,083	(1,448,450)	350,000
9/28/71	9,302,602	138,083	(1,237,027)	300,000
9/29/71	9,302,602	138,083	4,722,140	400,000
9/30/71	9,302,602	138,083	4,536,100	150,000

A. 18. Admit the matters set forth in Request 18.

Q. 18A. Topper's Loan Status Reports for the last business day of the months January through August, 1971 purport to show the following amounts of availability for advances for which Topper's requests for funds could be approved or the amounts of over-advances as determined by Topper (which determination had no force or effect under the Finance Agreement under which the Lending Banks had the sole discretion to determine eligibility):

Date	Availability Per Topper's Loan Status Report
January 29, 1971	$ (968,850.78)
February 26, 1971	(127,056.25)
March 31, 1971	(307,860.30)
April 30, 1971	(1,326,816.85)
May 28, 1971	1,302,852.88
June 30, 1971	(723,673.28)
July 30, 1971	(169,091.80)
August 31, 1971	(155,360.99)

A. 18A. Deny the matters set forth in Request 18A, except admit that Topper's Loan Status Reports for the last business day of the months January through September 1971 purport to show the amount of availability (or over-advances) as determined by Topper, which determination had no force or effect under the Finance Agreement under which Citibank had the "sole discretion" to determine eligibility; subject to the foregoing, data set forth in Request 18A is as appears on such Loan Status Reports.

Q. 18B. For the last six months of 1970 and the first eight months of 1971, the only months prior to the Private Placement for which Topper's monthly Accounts Receivable Detail Trial Balance reports ("Aging Reports") are presently available, the amount of accounts receivable 61 days or more past due, as shown on those Aging Reports, was as follows:

Date	Receivables 61 Days or More Past Due
7/31/70	$ 3,567,004.22
8/31/70	3,446,928.56
9/30/70	2,607,144.66
10/30/70	4,298,452.71
11/30/70	3,859,980.39
12/31/70	2,995,966.03
1/31/71	1,383,954.02
2/28/71	6,635,593.13
3/31/71	3,382,930.61
4/30/71	2,874,525.05
5/28/71	1,592,665.54
6/30/71	2,506,845.62
7/31/71 *	7,244,510.07
8/31/71	6,987,727.42

* Includes adjustments per PX 367 not on July 31, 1971 aging report (PX 351, 352)

A. 18B. Plaintiffs have made reasonable inquiries and information known or readily obtainable by plaintiffs is insufficient to enable them to admit or deny the data for 1970; deny the data for January, February, March, April, and June, 1971; and admit the data for May, July and August, 1971.

Q. 19. The Annual Report of Mattel, Inc. for the fiscal year including the 1971 Christmas season reported Mattel's net sales and pre-tax income (or loss) for such year, compared to the preceding fiscal year, as follows:

	Mattel, Inc.
Net Sales, Fiscal Year of 1971 Christmas Season ended 1/29/72*	$ 272,358,000
Net Sales, Previous Fiscal Year ended 1/30/71	349,937,000
Percent Decrease from Previous Fiscal Year	22%
Income Before Taxes, Fiscal Year of 1971 Christmas Season	(50,025,000)**
Income Before Taxes, Previous Fiscal Year	35,925,000
Percent Decrease From Previous Fiscal Year	239%

* The fiscal year contains 53 weeks rather than the usual 52 weeks.

** Excludes losses of $4,825,000 on discontinued operations and extraordinary items.

A. 19. Plaintiffs have made reasonable inquiries and have learned that the information set forth in Request 19 relating to Mattel, Inc. has been, and currently is, the subject of various civil and criminal investigations by the United States Government, as well as by certain private parties. In one such proceeding, SEC v. Mattel, Inc. (D.D.C.), Mattel consented to the issuance of an Amended Judgment, which stated, in part, that

> "[I]n the view of the COMMISSION, ... Mattel's published financial statements for the fiscal years ended January 30, 1971 and January 29, 1972, and for interim reporting periods during the fiscal year ended January 29, 1972, misstate in material respects the financial condition and results of operations at and for the periods covered thereby ...." SEC v. Mattel, Inc., [1974-1975 Transfer Binder] Fed. Sec. L. Rep. ¶94,807, at 96,691 (D.D.C. 1974).

As a result, plaintiffs are unable to admit or deny Request 19.

Q. 20. In late 1970, Orenstein told Waldman that all but $200,000 of Topper's 1970 redated receivables had been paid by Topper's customers.

A. 20. Plaintiffs have made reasonable inquiries and information known or readily obtainable by plaintiffs is insufficient to enable them to admit or deny Request 20.

Q. 21. In June 3, 1970, Topper had its initial public offering of stock.

A. 21. Admit the matters set forth in Request 21.

Q. 22. In July, 1971, Topper common stock first became listed on the American Stock Exchange.

A. 22. Admit the matters set forth in Request 22.

Q. 23. At an August, 1971 meeting between Rose and Orenstein Rose reviewed the problem of collections not being up to expectations with Orenstein and Pierce, who told Rose that Topper would do around $72 million in sales for 1971.

A. 23. Plaintiffs have made reasonable inquiries and information known or readily obtainable by them is insufficient to enable plaintiffs to admit or deny Request 23, except plaintiffs admit that during August 1971, Mr. Rose reviewed "the problem of collections not being up to expectations with Orenstein and Pierce", as stated in Request 23, because "during the summer of

1971. . . the cash collections that [Rose was] experiencing at Topper [was] behind the projections which had been made for that period" (Rose Dep. at 434). During the course of these discussions, it "was said very simply . . . that we had to put on a concerted effort to collect the receivables. The answer, primarily from the sales department and Mr. Orenstein, was that the customers were tight for cash, and we would get our collections, but we would have to work for it" (id. at 416); "the comment [was] being made that payment was slow because the customer, whoever the customer was, was having trouble moving the merchandise" (id. at 420).

Q. 24. Rose attended two Pension Fund drafting sessions on the Private Placement Agreement. At the closing on September 28, 1971, Rose reviewed Topper's sales with Orenstein and felt that there had not been any change in Topper's business condition or outlook since the June 30, 1971 Financial Statements. Orenstein assured Rose that Topper would exceed the projection of $68 million in sales for 1971 and would probably do about $72 million.

A. 24. Plaintiffs have made reasonable inquiries and information known or readily obtainable by plaintiffs is insufficient to enable them to admit or deny Request 24, except admit the first sentence thereof.

Q. 25. Rose felt that the results of operations for one given month, particularly in the toy business, were not terribly significant; he also felt that any given month can be significant if it affects overall results for the year.

A. 25. Admits the matters set forth in Request 25.

Q. 26. Prior to the Private placement Orenstein and Pierce had told Rose that Dawn in particular and Topper in general were doing well.

A. 26. Plaintiffs have made reasonable inquiries and information known or readily obtainable by them is insufficient to enable plaintiffs to admit or deny Request 26.

Q. 27. Prior to the closing of the Private Placement and in preparation for Topper's nine-month financial statement, Mr. Rose again reviewed sales and went over Topper's business item by item and customer by customer. At that time Topper management was convinced that there was no overstocking of inventory and that Topper could do $71-72 million in revenues for 1971.

A. 27. Plaintiffs have made reasonable inquiries and information known or readily obtainable by them is insufficient to enable plaintiffs to admit or deny Request 27.

Q. 28. In September, 1971, Pierce did not feel there was anything to lead him to believe that the slow movement of goods from NYTCO Warehouse would affect projected sales for 1971. Pierce had a good idea in September prior to the Private Placement of how Topper goods were selling because at that time he prepared the most extensive projections of his career, and he felt Topper was doing as well as expected.

A. 28. Deny the matters set forth in Request 28.

Q. 29. Prior to the Private Placement, Dun & Bradstreet, Inc. ("Dun & Bradstreet") issued periodic Analytical Reports on Topper, but it never assigned to Topper a financial rating.

A. 29. Admit the matters set forth in Request 29.

Q. 30. The Dun & Bradstreet Analytical Report on Topper dated July 9, 1970 stated, among other things, that

(1) Topper's condition was unbalanced and had a downward trend; and

(2) Topper's management stated that trade slowness was caused by slow collection of receivables.

A. 30. Admit the matters set forth in Request 30.

Q. 31. The Dun & Bradstreet Analytical Report on Topper dated January 18, 1970 stated, among other things, that:

(1) Topper's condition was unbalanced and had a downward trend;

(2) Topper's payments to creditors were up to 120 days slow;

(3) Topper's management did not comment on trade slowness; and

(4) Topper's payments were retired in a generally slow manner.

A. 31. Deny the matters set forth in Request 31, except admit that a Dun & Bradstreet Analytical Report on Topper dated January 18, 1971 stated, among other things, the items set forth in subparagraphs (1) - (4) in Request 31.

Q. 32. The Dun & Bradstreet Analytical Report on Topper dated July 12, 1971 stated, among other things, that

(1) Topper's condition was unbalanced and had an upward trend;

(2) Topper's management did not comment on trade slowness; and

(3) Topper was retiring its trade obligations in a somewhat slow manner.

A. 32. Admit the matters set forth in Request 32.

Q*. 33. Two pages of an Advance Book maintained by the Processing Section of the Citibank Factoring and Commercial Finance Department show that amounts of Topper's accounts receivable which were 61 or more days past due, on selected days during 1970, were as follows:

Date	61 or More Days Past Due
February 10, 1970	$ 2,381,312
March 13, 1970	2,310,695
April 7, 1970	1,710,500
April 9, 1970	2,512,309
May 11, 1970	1,328,072
June 15, 1970	1,697,763
July 8, 1970	1,212,935
October 14, 1970	3,197,287
November 17, 1970	3,885,225
December 18, 1970	3,605,225
December 21, 1970	3,307,798
December 22, 1970	4,858,221
December 24, 1970	3,875,221
December 24, 1970	3,832,221

Q*. 34. Two pages of an Advance Book maintained by the Processing Section of the Citibank Factoring and Commercial Finance Department show that amounts of Topper's accounts receivable which were otherwise ineligible, on selected days during 1970, were as follows:

Date	Otherwise Ineligible
February 10, 1970	$ 1,538,500
February 19, 1970	1,556,430
March 3, 1970	1,559,448
March 4, 1970	1,577,448
March 13, 1970	1,585,298
March 19, 1970	1,588,338
March 23, 1970	942,117
April 7, 1970	558,719
April 9, 1970	618,77[illegible]
April 15, 1970	21,105
April 24, 1970	34,245
May 11, 1970	52,162
May 19, 1970	65,462
May 25, 1970	66,737
June 15, 1970	61,050
June 22, 1970	572,127
June 24, 1970	954,827
June 26, 1970	807,827
July 6, 1970	657,827
July 7, 1970	690,353
July 10, 1970	312,052
November 9, 1970	39,113
November 17, 1970	58,124
November 20, 1970	696,124
November 25, 1970	58,124
November 25, 1970	833,455
December 11, 1970	2,833,455
December 16, 1970	2,864,038
December 18, 1970	3,261,467
December 22, 1970	2,844,435
December 23, 1970	1,692,038
December 28, 1970	2,176,538
December 30, 1970	2,463,945

A: 33 and 34. Plaintiffs have made reasonable inquiries and information known or readily obtainable by them is insufficient to admit or deny that the random data set forth in Requests 33 and 34 is the same as data shown on the Citibank advance sheets for the same days; the advance sheets were prepared and maintained by Citibank in the ordinary course of its business, but are unavailable for the dates indicated in Requests 33 and 34.

Knowledge of Plaintiffs

Q. 35. The Pension Fund and Connecticut Mutual received copies of Topper's unaudited financial statements for the period ending June 30, 1971 which showed, among other things, net accounts receivable of $29,077,289.81 as of June 30, 1971; net sales of $19,312,846.65 for the first six months of 1971; net accounts receivable of $18,075,707.87 as of June 30, 1970; and net sales of $15,559,398.96 for the first six months of 1970.

A. 35. Admits the matters set forth in Request 35.

Q. 36, 38-40, 49, 51 and 58. Henry Thompson of the Pension Fund and Leonard Hieronymus of Connecticut Mutual were furnished copies of a document entitled "Topper Corporation - Examples of Company's Reporting", which is comprised of 14 separate sections purporting to explain the functions of various computerized reports prepared by Topper relating to certain of its financial operations. Each such section included a number of textual descriptions of the function of one or more computerized reports. Following such textual material were what appeared to be reduced copies of certain pages extracted from such computerized reports. Included among the sample computerized reports, or information contained therein, were the following:

(a) Eight pages of Customer Contract Listings, which showed quantities of merchandise ordered by and shipped to Globe Warehouse Company, Inc. in a Bill and Hold Account with a quantity of 17,688 goods;

(b) One page of a Topper Aging Report in summary form by account for the month of June, 1971 and one page of a Topper Aging Report in detail by open invoices and deductions for the month of July, 1971. Both such documents refer to accounts receivable as "CURRENT", "30 DAYS" (1 to 30 days past due), "60 DAYS" (31 to 60 days past due), and "90 DAYS" (61 or more days past due), and identified accounts receivable which were ineligible for advances under the Finance Agreement for reasons other than their age ("OTHER"). Of the 10 customers mentioned on the first such page, eight customers had accounts receivable in the "90 DAYS" column or the "OTHER" column. Of the four customers mentioned on the second such page, three had accounts receivable in the "OTHER" column and one in the "90 DAYS" column. All Topper receivables due from Ronald Aaron shown on such page were in the "90 DAYS" column. All Topper receivables due from Abraham & Straus shown on such page were in the "OTHER" column. For the total balance of receivables of $208,659.03 shown on the first such page, there were total of credits of $13,316.16. For the total balance of receivables of $3,328.99 shown on the second such page, there was a total of credits of $780.19;

(c) One page of a "Cash Projection starting 8/01/71" which showed accounts receivable past due and accounts receivable which, if not paid, would become past due in one week, for three of Topper's customers;

(d) One page of a Credit Register Receiving Tickets report which showed various credits issued by Topper on August 9, 1971, including a credit to Platt Distributing for 19,368 pieces for the return of merchandise; and

(e) One page of a Topper Credit Summary which showed, among other things, returns for the kinds of merchandise specified on such page, which totaled $15,815.14 for the day August 9, 1971 and for the month of August, 1971 to that date and which showed returns for such items for the year to date totaling $604,[illegible]8.93;

A. 36, 38-40, 49, 50, 51 & 58. Deny the matters set forth in Requests 36, 38-40, 49, 50 and 51, except admit that Mr. Henry Thompson of the Pension Fund and Mr. Leonard Hieronymus of Connecticut Mutual were furnished copies of a document entitled "Examples of Company's Reporting", which is comprised of 14 separate sections purporting to explain the functions of various computer reports prepared by Topper. Each such section included a brief textual description of the function of one or more computer runs. Following such textual material were what appeared to be reduced copies of random pages extracted from such computer runs. However, such random extracts were apparently intended to serve simply as an example of the runs discussed in the preceding text; none of the extracts were complete in themselves or were accompanied by any supporting text or data which would render the information set forth on such random extract meaningful in itself or for any purpose other than an example.

A. 58. Deny the matters set forth in Request 58, except admit that, prior to the Private Placement, the Pension Fund was supplied by Topper with a copy of a document entitled "TOPPER CORPORATION Examples of a Company's Reporting", which comprised fourteen separate sections purporting to explain the function of various computer runs prepared by Topper. One section of that document purported to describe, in approximately one-half page of double-spaced text, Topper's "ACCOUNTS RECEIVABLE REPORT". Following that text were what appeared to be reduced copies of two random pages, each of which was headed "Accounts Receivable Detail Trial Balance", apparently extracted from what plaintiffs now know, but were not aware prior to the Private Placement, to be a computer run of approximately 600 pages. Such random extracts were intended to serve simply as an example of the "REPORT" referred to in the preceding text and were unaccompanied by any supporting text or data which would render the information set forth on each such random extract meaningful by itself or for any purpose other than as an example.

Q. 37. The June 30, 1971 Topper Financial Statements showed that gross shipments of $11,536,000 out of the $21,119,000 gross shipments year to date, or 55%, related to the Dawn line of dolls and accessories.

A. 37. Deny the matters set forth in Request 37, except admit that annexed to Topper's unaudited financial statements as of June 30, 1971 was an "Analysis of Shipments - Net" which indicated, among other things, that $11,536,000 of the $21,119,000 of shipments of the "Total Current Line" broken out on that schedule comprised Dawn dolls and accessories.

Q. 41. Prior to the Private Placement the Pension Fund and Connecticut Mutual knew that the Ford Motor Credit loan was to be secured pari passu with the bank loans.

A. 41. Deny the matters set forth in Request 41, except admit that the Pension Fund and Connecticut Mutual knew that the Hayden Stone Private Placement Memorandum reported that the Ford Motor Credit loan was to be secured pari passu with the bank loans.

Q. 42. Prior to September 28, 1971, the Pension Fund and Connecticut Mutual knew of all facts set forth in "Plaintiffs' Revised Request for Admissions From The Hayden

Stone Defendants" numbered 17-35, 37, 38, 40-48, 61, 63, 64, 104-108, 111, 112, 115, 119, 120, 121, 123, 133, 137 and 138.

A. 42. Deny the matters set forth in Request 42, except admit that the Pension Fund and Connecticut Mutual knew all of the facts set forth in Plaintiffs' Revised Request for Admissions from the Hayden Stone Defendants' numbered 21 through 33, inclusive, 40 through 48, inclusive, 61, 63, 64, 105, 107, 108, 111 and 112.

Q. 42A. Prior to September 28, 1971, the Pension Fund and Connecticut Mutual knew of all facts set forth in "Plaintiffs' Revised Request for Admissions from Citibank" numbered 23, 36-45, 53, 89, 98, 107, 120, 121, 127, 129, 138, 139, 188, 189.

A. 42A. Deny the matters set forth in Request 42A.

Q. 43. In connection with the Private Placement, no plaintiff was ever told by Topper that it could not see any of Topper's properties, books and records.

A. 43. Plaintiffs object to Request 43 on the grounds that it is hypothetical and assumes a set of facts not in evidence.

Q. 43A. If any plaintiff had been told by Topper that it could not see any of Topper's properties, books or records, it would have refused to participate in the Private Placement.

A. 43A. Plaintiffs object to Request 43A on the ground that it is hypothetical and assumes a set of facts not in evidence.

Q. 44. If any plaintiff had been aware prior to the Private Placement that it had been denied access to any of Topper's properties, books or records, it would have refused to participate in the Private Placement.

A. 44. Admits the matters set forth in Request 44.

Q. 45. Prior to the Private Placement, no plaintiff requested to see Topper's financial records or any other documentation which showed the status of Topper's loan balance with Citibank or the amount of funds available for advances (or the amount of over-advances) under the Finance Agreement. Prior to the Private Placement, no plaintiff was told that it could not see any such financial records or other documentation.

A. 45. Deny the matters set forth in Request 45.

Q. 46. Prior to the Private Placement no plaintiff requested to see Topper's 1971 projections dated January 21, 1971 or any other Topper projections, nor was any plaintiff told that it could not see any Topper projections.

A. 46. Deny the matters set forth in Request 46.

Q. 47. At no time prior to September 28, 1971 did Topper refuse any request for documentation or information made by any plaintiff.

A. 47. Deny the matters set forth in Request 47.

Q. 48. At no time prior to the Private Placement, did Topper indicate to any plaintiff that it would not supply such plaintiff with any document or other information which it wanted.

A. 48. Deny the matters set forth in Request 48.

Q.* 50. Prior to September 28, 1971, neither the Pension Fund nor Connecticut Mutual requested to see any document, an example of which was included in Examples of Company's Reporting received by each of them. Nor was either the Pension Fund or Connecticut Mutual told that it could not see any such document.

A. 50. [This request has not been answered]

Q. 52. [Withdrawn]

Q. 53. Prior to the Private Placement the Pension Fund knew that the Private Placement Memorandum reported that Ford Motor Credit was to receive a return of 5-1/2% above prime up to 14% on its secured investment in Topper.

A. 53. Deny the matters set forth in Request 53, except admit that prior to the Private Placement the Pension Fund knew that the Hayden Stone Private Placement Memorandum reported that the Ford Motor Credit loan was to bear an "[i]nterest rate of 5-1/2% above prime commercial rate with a maximum of 14%" (PX 462 at 5).

Q. 54. Thompson knew that Waldman was the Citibank loan officer handling the secured Topper loan.

A. 54. Admit the matters set forth in Request 54.

Q. 55. Prior to the Private Placement, Thompson had done some work on the toy industry. He had attended a meeting at Burnham Company held for the management of Mattel, had previously declined to invest in Mattel, had done some work on the toy indusry when he was employed with H.R. Wainwright, at one time had owned ten shares of Milton

Bradley, Inc., had attended a discussion for senior management of Ideal Toy Company, and had read brokerage materials on the toy industry.

A. 55. Deny the matters set forth in Request 55.

Q. 56. Prior to the Private Placement, Thompson received and reviewed a booklet entitled Topper Corporation Examples of Company's Reporting, which included samples of Topper's computerized accounting materials, with Topper's Financial Vice President at some length; Thompson was impressed with the sophistication and type of Topper's financial controls.

A. 56. Deny the matters set forth in Request 56, except admit that prior to the Private Placement Mr. Thompson of the Pension Fund reviewed samples of Topper's computerized accounting materials with Topper's Financial Vice President at some length and was impressed with the sophistication and type of controls.

Q. 57. Prior to the Private Placement, the Pension Fund received and reviewed a booklet entitled Topper Corporation Examples of Company's Reporting, which reported, among other things, that:

> "For the past three years, the Company's accounts receivables have been maintained on the computer with the result that aging of accounts receivable can be prepared quickly after the end of the month, both in summary form by account and in detail for follow up on collection of open invoices and deductions. In addition, the projection of cash receipts is prepared monthly by the computer indicating anticipated receipts by week."

A. 57. See Response to Requests 36, 38-40, 49-51 and 58.

Q. 59. Prior to September 28, 1971, Topper sent to the Pension Fund a Topper Aging Report in summary form.

A. 59. Deny the matters set forth in Request 59.

Q. 60. Prior to the Private Placement, the Pension Fund knew that Topper prepared daily a billing summary which presented the summary for the day, month to date, and year to date of all returns processed by item.

A. 60. Deny the matters set forth in Request 60, except admit that, prior to September 28, 1971, the Pension Fund received a booklet entitled "TOPPER CORPORATION Examples of Company's Reporting", which (among other reports reportedly maintained by Topper) refers to a "daily billing summary" and a "report similar" thereto, which was stated to represent "the summary for the day, month to date, and year to date of all returns processed by item".

Q. 61. Prior to the Private Placement, the Pension Fund received and reviewed Topper's unaudited Consolidated Financial Statement and supporting schedules for the six months ended June 30, 1971, which stated, among other things, that Topper's Finance Agreement with the Lending Banks provided for maximum working capital borrowings of $18.5 million and that $18,551,714, or $551,714 in excess of the maximum, was outstanding at June 30, 1971.

A. 61. Deny the matters set forth in Request 61.

Q. 62. Prior to the Private Placement, the Pension Fund knew that Topper's projected net sales for 1971 were $68 million. Rose told Thompson that he had reviewed the 1971 sales projection with Orenstein and that Orenstein had told him that the company would probably do about $72 million in sales in 1971.

A. 62. Deny the matters set forth in Request 62, except admit that prior to the Private Placement Mr. Rose told Mr. Thompson that Topper's projected net sales for 1971 were at least $68 million as was also set forth in Hayden Stone's Private Placement Memorandum (PX 462 at 4); and that Mr. Rose told Mr. Thompson that he had reviewed the 1971 sales projection with Mr. Orenstein and that Mr. Orenstein had told him that Topper would probably do about $72 million in sales in 1971.

Q. 63. Prior to the Private Placement, the Pension Fund knew that net sales for the six months ended June 30, 1971 were approximately $19.3 million and that Topper's projected sales for 1971 were $68 million. According to these figures, Topper had to sell approximately $48.7 million, or 72% of its projected 1971 sales, during the last six months of 1971 in order to meet its projected sales for 1971.

A. 63. Deny the matters set forth in Request 63, except admit that, prior to the Private Placement, the Pension Fund received Topper's unaudited consolidated financial statements and supporting schedules for the six months ending June 30, 1971 (which reported, inter alia, net sales for that period of approximately $19.3 million) as well as Hayden Stone's Private Placement Memorandum which reported projected sales for all of 1971 of $68 million, and accepted as fact the statement in Hayden Stone's Private Placement Memorandum (at 9) that "[o]ver 50% of all sales occur during the final calendar quarter".

Q. 64. Prior to the Private Placement, the Pension Fund knew that Topper's gross shipments for the period ended June 30, 1971 were at least $21,119,000.

A. 64. Deny the matters set forth in Request 64.

Q. 65. Prior to the Private Placement, the Pension Fund knew that the difference between Topper's gross sales and its net sales for the six-month period ended June 30, 1971 was accounted for in large part by discount adjustments and returns.

A. 65. Deny the matters set forth in Request 65.

Q.* 66. Prior to the Private Placement, the Pension Fund was advised by Topper that on certain occasions and under certain circumstances Topper allowed customers to return non-defective merchandise.

Q.* 67. Prior to the Private Placement, the Pension Fund was advised by Topper that on certain occasions and under certain circumstances if there was a small quantity of a successful line, the company would balance inventories for a customer.

A.* 66 and 67. Deny the matters set forth in Request 66, except admit that when "the subject of what happens if a customer has some merchandise that isn't selling and wants to return it" was raised with Mr. Rose of Topper, Mr. Rose in substance advised the Pension Fund, prior to the Private Placement, that Topper

> "was hardnosed, and hardnosed is his exact word in this and that ... in fact they didn't do it."
>
> "He qualified this by saying that if a customer had a line that was a good line, and wanted to exchange a small quantity of it for one type of Dawn doll versus another type of Dawn doll, that this was possible, but the company discouraged this". Thompson Dep. at 120.
>
> * * *
>
> "... [I]f there was a small quantity of a successful line, that the company would balance inventories... [but] they would not accept clinkers". Thompson Dep. at 388.

Q. 68. After reading the Private Placement Memorandum, the Pension Fund believed that it could not, without conduct- its own investigation of Topper, invest in the Private Placement.

A. 68. Deny the matters set forth in Request 68, except admit that the Pension Fund believed that inquiries in addition to examination of the Private Placement Memorandum were appropriate before concluding whether or not to invest in the Private Placement.

Q. 69. During the spring of 1971 Glover Johnson approached the Pension Fund regarding possible participation by the Pension Fund in Topper's 1971 public offering.

A. 69. Deny the matters set forth in Request 69.

Q. 70. In the spring of 1970 Glover Johnson contacted the Pension Fund and recommended that the Pension Fund invest in Topper's initial public offering of common stock which was then in the process of registration.

A. 70. Deny the matters set forth in Request 70, except admit that in the spring of 1970 Glover Johnson contacted the Pension Fund and suggested that the Fund consider investment in Topper's initial public offering of common stock which was then in the process of registration.

Q. 71. Prior to September 28, 1971, the Pension Fund knew that Glover Johnson was on Topper's Board and had worked closely with Topper management.

A. 71. Admit the matters set forth in Request 71.

Q. 72. Prior to September 28, 1971, Glover Johnson had advised the Pension Fund that he regarded highly the competency and integrity of Topper management.

A. 72. Admit the matters set forth in Request 72.

Q. 73. Prior to the Private Placement, Glover Johnson advised the Pension Fund that White & Case had begun legal representation of Topper in connection with Orenstein's 1966 repurchase of Topper from its predecessor, Philadelphia & Reading; that Philadelphia & Reading had forced Topper to sell on consignment to supermarkets with a returnable provision after the Christmas season, which proved disastrous in view of the shift to discounting of toys; that Orenstein was honest and a first-rate sculptor; that Orenstein was vital to Topper's success from the merchandising standpoint; and that Johnson himself had a sizable personal holding of Topper stock and an interest in seeing Topper do well. The Pension Fund believed that Johnson,as a partner of White & Case, was being completely candid.

A. 73. Deny the matters set forth in Request 73, except admit that, prior to the Private Placement, Mr. Thompson of the Pension Fund had a telephone conversation with Mr. Glover

Q. 74. In the first part of 1970, more than fifteen months prior to the Private Placement, Thompson told Hayden Stone that the Pension Fund had no interest at that time in investing in a common stock offering of Topper because of the past history of substantial deficits and the fact that the capitalization was very highly leveraged.

A. 74. Admits the matters set forth in Request 74.

Q. 75. During their respective tours of Topper's Elizabeth, New Jersey production facilities, neither Thompson of the Pension Fund nor Hieronymus of Connecticut Mutual requested to see the New York Terminal Warehouse or was shown the New York Terminal Warehouse.

A. 75. Deny the matters set forth in Request 75, except admit that prior to the Private Placement neither the Pension Fund nor Connecticut Mutual was aware of the existence of the New York Terminal Warehouse much less was shown it during the course of a visit.

Q. 76. Prior to the Private Investment, Thompson had visited Topper's management on three occasions, including an all-day tour of its Elizabeth, New Jersey production facilities, and Thompson was impressed with the depth and business judgment of Topper's management.

A. 76. Deny the matters set forth in Request 76, except admit prior to the Private Investment, Mr. Thompson had "visted management [of Topper] on three occasions, including an all-day tour of its Elizabeth, New Jersey production facilities, and it ... impressed ... [Thompson] with its depth and business judgment" (CBX 2 at 1).

Q. 77. In his three meetings with various officers of Topper, Thompson found Topper management to be uniformly impressive.

A. 77. Deny the matters set forth in Request 77, except admit that prior to the Private Placement Mr. Thompson (as his contemporaneous memoranda reported) had "visited management [of Topper] on three occasions, including an all-day tour of its Elizabeth, New Jersey production facilities, and it ... impressed ... [Thompson] with its depth and business judgment" (CBX 2 at 1) and found them "uniformly impressive" (CBX 9 at 3).

Q. 78. Prior to the Private Placement, the Pension Fund knew that Topper relied heavily upon television advertising to create consumer demand.

A. 78. Deny the matters set forth in Request 78, except admit that the April 29, 1971 Topper Prospectus, provided the Pension Fund as part of the Private Placement Memorandum, stated that "[t]elevision advertising is relied upon heavily by the Company to create consumer demand for its product. Most of the items in the Company's toy line are promoted through television advertising, with particular emphasis upon individual items introduced in the current year. In 1970 the Company expended approximately $9,800,000 worth of advertising, the bulk of which was utilized for spot and network television time" ~~(PX 462, Exh.~~ 1 at 12).

Q. 79. Prior to the Private Placement, the Pension Fund knew that there could be no certainty that Topper would meet its projections for 1971 or its projections for 1972, 1973, 1974 and 1975.

A. 79. Deny the matters set forth in Request 79, except admit that prior to the Private Placement the Pension Fund knew that projections of future operations provided by Topper purported to reflect judgments as to operations for periods not yet completed or commenced, and that the utility of such projections depended on the experience, competence, judgment and integrity of those responsible for such projections; and that Hayden Stone represented to the Pension Fund in the Private Placement Memorandum that Topper's overall future operations could "be projected with a reasonable degree of accuracy" (PX 462 at 16).

Q. 80. The retail trade checks which the Pension Fund made on Topper were favorable.

A. 80. Deny the matters set forth in Request 80, except admit that, as part of its investigation of Topper prior to the Private Placement, the Pension Fund made certain retail trade checks, the substance of each of which is as set forth in Mr. Thompson's contemporaneous memoranda reporting on each such check, already marked for identification herein.

Q. 81. Prior to the Private Placement, Topper told the Pension Fund that in the toy industry one bad year could doom the operation because of product disasters, but that a company such as Topper can protect itself against such an occurrence.

A. 81. Deny the matters set forth in Request 81, except admit that in the course of Mr. Thompson's visit with various Topper officials on August 4, 1971, they "discussed at some length, how a company such as Topper protects itself against product disasters and insures that one bad year will not doom the operation" (CBX 4 at 1). Mr. Thompson was informed during the course of that discussion that Topper was able to avoid "that one bad year" by sticking

> "to well-established product categories such as dolls where it attempts to analyze the market in such a way that it will provide novelty and greater play value per dollar of selling price than its competitors. All products are pre-tested with consumers and I was shown market reports both on the current lines and next year's introductions which are top-secret. After the screening process, the management then invests $80,000 - $100,000 in molds, to produce a sample line of products which are shown at the Toy Fair in the Spring. The company is willing to lose this small amount but in fact, it had a good success ratio in its new products. Management uses the technique of allowing a child to keep only one toy after he has played with it as part of a market research test. Children are keen observers and usually sure guides in such tests when the company uses products of known selling ability as standards.

> "After the Toy Fair, the company's marketing personnel makes three sales estimates which indicate expected potential, minimum potential and realistic maximum sales. Normally, a company which is established such as Topper can sell at least 300,000 items of a new product on an initial basis at the Toy Fair. Even so, management does not commit for large amounts until it has obtained a consumer feedback and it monitors its inventory of parts closely so that only long lead items are stockpiled. Profitability is quite high so that the breakeven point on a new product is fairly low so long as the company does not over-order parts. I reviewed the computerized accounting materials with the Financial Vice President at some length and was quite impressed with the sophistication and type of controls. The molds are the key equipment for new toys and their cost is small in relation to the standardized machinery which the company has used for many years in production." (CBX 4 at 1-2).

Q. 82. Prior to the Private Placement, the Pension Fund believed that Topper's Sesame Street line of toys looked like a rapidly growing low risk type of business and was the part of Topper's business which had the most impressive potential for growth.

A. 82. Deny the matters set forth in Request 82, except admit that, prior to September 28, 1971, the Pension Fund believed that Topper's Sesame Street line of toys "looked like ... a really rapidly growing low risk type of business. So this was attractive" and appeared to have a most impressive potential for growth (Mole Dep. at 60).

Q. 83. Prior to the Private Placement, Connecticut Mutual knew that as a consequence of having to be successful on promotional campaigns year in and year out, reliability of Topper's earnings forecasts was highly suspect.

A. 83. Deny the matters set forth in Request 83.

Q. 84. On or about August 18 and 19, 1971, Rose sent Thompson of the Pension Fund and Hieronymus of Connecticut Mutual copies of the May 27, 1971 Letter of Intent, the June 24, 1971 amendment thereto, and the July 15, 1971 Commitment Letter of Ford Motor Credit with respect to its proposed loan to Topper.

A. 84. Admits the matters set forth in Request 84.

Q. 85. On or about August 18 and 19, 1971, Rose sent the Pension Fund and Connecticut Mutual a letter which stated that Topper's break-even point for 1971 would be approximately $56 million in sales.

A. 85. Admits the matters set forth in Request 85.

Q. 86. In addition the Pension Fund and Connecticut Mutual knew that Topper's net sales for the six months ended June 30, 1971, were approximately $19.3 million. According to these figures Topper would have to make sales of approximately $36.7 million during the last half of the year or almost double the amount of sales it had made during the first half of 1971 in order to break even for the year at $56 million.

A. 86. Deny the matters set forth in Request 86, except admit that prior to the Private Placement the Pension Fund and Connecticut Mutual received the letter from Mr. Jack J. Rose referred to in Request 85, as well as Topper's unaudited financial statements for the six months ended June 30, 1971 and accepted as fact the statement in Hayden Stone's Private Placement Memorandum (PX 462 at 9) that "over 50% of all sales occur during the final calendar quarter."

Q. 87. The August 18, 1971 letter from Rose also indicated that the decision to operate on a "fail safe" basis of $39,000,000 in sales to satisfy interest coverage and the convertible debentures sinking fund requirements would have to have been made in the fall of the prior year.

A. 87. Deny the matters set forth in Request 87, except admit that the August 18, 1971 letter stated that the "decision to operate on a 'fail-safe' basis is made in the Fall of the prior year."

Q. 88. The Pension Fund and Connecticut Mutual knew that Topper had not made such a decision in 1970 and could not, therefore, operate on a "fail safe" level during 1971.

A. 88. Deny the matters set forth in Request 88.

Q. 89. Prior to the Private Placement, the Pension Fund and Connecticut Mutual knew that the toy industry was extremely competitive and that Topper had been required to meet extended dating offered to customers by competitors.

A. 89. Deny the matters set forth in Request 89, except admit that the Private Placement Memorandum provided to both the Pension Fund and Connecticut Mutual by Hayden Stone stated that the "toy industry is extremely competitive primarily because of the ease of entry into those areas of the market where brand identity is non-existent. ... The development of 'staple' product lines with a brand identity lessens competition in price and distribution. The Company believes that its Suzy Homemaker and Dawn lines are staple businesses and that while there are a large number of companies producing educational and pre-school toys, including Fischer-Price and Playschool, we believe that the Sesame Street line of educational playthings will not face the intense competition found in most of Topper's categories" (PX 462 at 13).

Q. 90. Prior to the Private Placement, Graham O. Harrison, a representative of the Pension Fund, visited three major Bergen County, New Jersey toy stores and as a result became convinced that the quality of Topper products ranged from good to superior and that Topper products were well packaged and priced to meet a range of child needs and family income levels.

A. 90. Deny the matters set forth in Request 90, except admit that, prior to September 28, 1971, Mr. Graham O. Harrison of the Pension Fund, in the course of a Saturday with his two daughters, "visited several toy stores" (Harrison Dep. at 24) in Bergen County, New Jersey. In one of them, Mr. Harrison noticed that the "Dawn dolls" were "given good display. The packaging was clean, fresh, attractively displayed" (id.).

A. 90. Deny the matters set forth in Request 90, except admit that, prior to September 28, 1971, Mr. Graham O. Harrison of the Pension Fund, in the course of a Saturday with his two

Q. 91. Prior to the Private Placement, the Pension Fund and Connecticut Mutual knew that Topper had a history of a substantial decline in sales and very large losses during 1966 and 1967.

A. 91. Deny the matters set forth in Request 91, except admit that prior to the Private Placement the Pension Fund and Connecticut Mutual were aware of the history of Topper in 1966 and 1967 as set forth in Topper's April 29, 1971 prospectus, annexed as Exhibit 1 to Hayden Stone's Private Placement Memorandum (PX 462).

Q. 91A. Prior to the Private Placement, the Pension Fund and Connecticut Mutual knew that the toy business is seasonal and that consequently the results of operations for any period of less than a year are not comparable to results for other periods.

A. 91A. Deny the matters set forth in Request 91A.

Q. 92. On or about August 18-19, 1971 Rose provided the Pension Fund and Connecticut Mutual with an analysis of gross margin by product line for 1970 and 1971 which reported, among other things, that the amount of Topper sales attributable to Dawn Dolls for 1970 was $34,155,000, or 53%, of Topper's total sales for 1970 and that the amount of sales attributable to Johnny Lightning cars was $18,095,000, or 28%, of Topper's total sales for 1970.

A. 92. Deny the matters set forth in Request 92, except admit that on or about August 18-19, 1971 Mr. Rose provided the Pension Fund and Connecticut Mutual with "an analysis of gross margin by product line for 1970 and 1971" which reported, among other things, that the amount of Topper sales attributable to Dawn dolls for 1970 was $34,155,000, the amount of sales attributable to Johnny Lightning cars was $18,095,000, and that Topper's total sales for 1970 were $63,936,000.

Q. 93. On or about August 18-19, 1971 Rose provided the Pension Fund and Connecticut Mutual with an analysis of gross margin by product line for 1970 and 1971 which showed, among other things, that Topper's sales for 1970, by product, were as follows: follows:

Category	No. of Items in Category	Sales (000's)
Dawn	52	$ 34,155
Dolls	6	3,610
Suzy Homemaker	34	5,277
Ding-A-Lings	-	---
Johnny Ligtning	88	18,095
Zoomer Boomer	-	---
Sesame Street	-	$ ---
Miscellaneous	25	2,799
Totals	205	$63,936

A. 93. Deny the matters set forth in Request 93, except admit that on or about August 18, 1971 Mr. Rose provided the Pension Fund with "an analysis of gross margin by product line for 1970 and 1971" which showed, among other things, data set forth in Request 93.

Q. 94. On or about August 18-19, 1971 Rose provided the Pension Fund and Connecticut Mutual with an analysis of gross margin by product line for 1970 and 1971 which showed, among other things, that Topper projected Dawn sales for 1971 in the amount of $33,268,000, or about 50%, of Topper's projected net sales for 1971 of $68 million.

A. 94. Deny the matters set forth in Request 94, except admit that on or about August 18-19, 1971 Mr. Rose provided the Pension Fund and Connecticut Mutual with "an analysis of gross margin by product line for 1970 and 1971" which showed, among other things, that Topper projected Dawn sales for 1971 in the amount of $33,268,000 and total sales for 1971 in the amount of $68 million.

Q. 95. On or about August 18-19, 1971 Rose provided the Pension Fund and Connecticut Mutual with an analysis of gross margin by product line for 1970 and 1971 which showed, among other things, that Topper's projected 1971 sales, by product, were as follows:

Category	No. of Items in Category	Sales (000's)
Dawn	147	$ 33,268
Dolls	3	9,320
Suzy Homemaker	21	2,036
Ding-A-Lings	23	9,036
Johnny Lighning	51	2,684
Zoomer Boomer	28	6,656
Sesame Street	40	5,000
	313	$ 68,000

A. 95. Deny the matters set forth in Request 95, except admit that on or about August 18, 1971 Mr. Rose provided the Pension Fund with "an analysis of gross margin by product line for 1970 and 1971" which showed, among other things, data set forth in Request 95.

Q. 96. On or about August 18 - 19, 1971 Rose provided the Pension Fund and Connecticut Mutual with an analysis of gross margin by product line for 1970 and 1971 which showed, among other things that Topper projected 1971 sales for Ding-A-Lings in the amount of $9,036,000, projected 1971 sales for Zoomer Boomer in the amount of $6,656,000, and projected 1971 sales for Sesame Street in the amount of $5 million. These three toy lines comprised 30% of Topper's total projected sales for 1971. The analysis indicated that Ding-A-Lings, Zoomer Boomers and the Sesame Street line had not been sold in 1970.

A. 96. Deny the matters set forth in Request 96, except admit that on or about August 18, 1971 Mr. Rose provided the Pension Fund with "an analysis of gross margin by product line for 1970 and 1971" which showed, among other things, that Topper projected net sales for Ding-A-Lings in 1971 in the amount of $9,036,000, net sales for Zoomer Boomer in the amount of $6,656,000, and net sales of Sesame Street in the amount of $5 million; the analysis provided the Pension Fund by Mr. Rose indicated that Ding-A-Lings, Zoomer Boomer and the Sesame Street line had not been sold in 1970.

Q. 97. Prior to September 28, 1971, the Pension Fund knew that Ford Motor Credit had done an investigation of Topper's accounts receivable.

A. 97. Deny the matters set forth in Request 97.

Q. 98. Prior to the Private Placement, the Pension Fund and Connecticut Mutual knew that approximately $14 million, or 22%, of Topper's 1970 net sales consisted of shipments made in December 1970 which carried extended credit terms of five to eight months; and that the comparable amount for 1969 was $2 million, or 4%, of Topper's 1969 net sales.

A. 98. Deny the matters set forth in Request 98, except admit that prior to September 28, 1971 the Pension Fund and Connecticut Mutual, as part of the Private Placement Memorandum, were provided with a copy of Topper's April 29, 1971 Prospectus which showed, among other things, that approximately $14 million of Topper's 1970 net sales included $14 million "of shipments" made in December on extended credit terms of five to eight months; that the comparable amount for 1969 was $2 million; that Topper's net sales for 1970 amounted to $63,935,619; and that Topper's net sales for 1969 amounted to $53,722,774.

Q. 99. Prior to September 28, 1971, the Pension Fund believed that the booklet entitled "Examples of Company's Reporting" indicated that Topper had good control of inventories and receivables.

A. 99. Admit the matters set forth in Request 99.

Q. 100. In its investigation of Topper the Pension Fund relied upon Arthur Young & Company's certification of Topper's December 31, 1970 financial statements. These financial statements were crucial to the Pension Fund analysis since the Pension Fund had never made an investment without the certification of independent auditors.

A. 100. Deny the matters set forth in Request 100, except admit that in its investigation of Topper, the Pension Fund and Connecticut Mutual relied upon certain information provided by Hayden Stone concerning Topper, including the fact that Arthur Young had certified Topper's December 31, 1970 financial statements. Such certification was prerequisite to the Pension Fund's consideration of an investment in Topper because the Pension Fund had never made an investment in a corporation without financial statements certified by independent auditors.

Q. 101. Winthrop, Stimson, Putnam & Roberts, counsel to the Fund, advised the Pension Fund that it had a good case against Arthur Young & Co.

A. 101. Plaintiffs object to furnishing the information sought by Request 101 on the grounds that it calls for opinions of counsel within the scope of the attorney-client privilege.

Q. 102. In October 1971, the Pension Fund received Topper's unaudited financial statements for the nine months ended September 30, 1971. The September 30, 1971 financial statements showed a soundly financed company with improving earnings.

A. 102. Admit the matters set forth in the first sentence of Request 102, but deny the matters set forth in the second sentence thereof.

Q. 103. On December 20, 1971, Glover Johnson indicated that Topper's plight came as a complete shock to all at the board meeting on December 17, 1971.

A. 103. Admit the matters set forth in Request 103.

Q. 104. Prior to the Private Placement, no plaintiff asked any representative of Citibank for any information on Topper's collections during 1971.

A. 104. Deny the matters set forth in Request 104, except admit that in late August of 1971, Mr. Edward Waldman, the Citibank officer responsible for the Topper loan, telephoned Mr. Thompson, apparently in response to Mr. Thompson's request to the Pension Fund's liaison at Citibank, Mr. Jeffers, for information concerning Topper; and, the substance of Mr. Thompson's conversation with Mr. Waldman on that occasion is as set forth in Mr. Thompson's deposition (at 11-32) and in Mr. Thompson's contemporaneous memorandum reporting on such conversation (CBX 10). As Mr. Thompson testified, and as his contemporaneous memorandum reflects, he discussed with Mr. Waldman the subject of Citibank's audits of Topper's receivables and asked Mr. Waldman whether he knew of any current problems in Topper or anticipated any -- to both of which questions Mr. Waldman responded "No".

Q. 105. The Private Placement Memorandum stated that bank loans to Topper as of March 31, 1971 were $19,565,948 and that after giving effect to the Public Offering, the Private Placement and the Ford Motor Loan, such bank loans would drop to $3,064,086.

A. 105. Deny the matters set forth in Request 105, except admit that Hayden Stone's Private Placement Memorandum represented "the capitalization of the Company as of March 31, 1971, and as adjusted to give effect to the sale of 658,525 shares of common stock on April 29, 1971, and 7-1/2% Convertible Subordinated Debentures offered hereby, and the senior notes due 1977" (PX 462 at 5).

Q. 106. Exhibit 6 to the Private Placement Memorandum, a projected Balance Sheet, showed no bank loans by Topper for fiscal years 1971-1975.

A. 106. Admit the matters set forth in Request 106.

Q. 107. In the spring of 1970, Thompson received a preliminary prospectus on Topper from the firm of Cogan, Berlind & Weill, a predecessor to Hayden Stone. Thereafter, Mr. Luongo, a Hayden Stone salesman who serviced the Pension Fund account, called Thompson to see if he had received the prospectus; Thompson told him that he had but that the Pension Fund was not interested in investing in Topper because of the "past history of substantial deficits, and the fact that the capitalization was very highly leveraged". A short time after this conversation, Luongo asked Thompson to lunch, when he again recommended Topper as an investment. Thompson reiterated that the Pension Fund was not interested.

A. 107. Admit the matters set forth in Request 107.

Q. 108. Prior to the Private Placement, Thompson of the Pension Fund had a conversation with his father-in-law, then an executive of Abraham & Straus, about Topper.

A. 108. Deny the matters set forth in Request 108, except admit that prior to September 28, 1971 Henry Thompson of the Pension Fund had a "brief" conversation with his father-in-law, then an executive of Abraham & Straus in which Mr. Thompson inquired "as to whether or not Abraham & Straus did much business with Topper," to which Mr. Thompson's father-in-law responded that "he didn't know personally about this, but he thought that most of their business was done with Ideal Toy Company" (Thompson Dep. at 189).

Q. 109. In late July of 1971, Thompson was approached by Hayden Stone concerning the Topper Private Placement subordinated convertible debentures. Thompson dealt primarily with Jay Inglis in the investment banking department of Hayden Stone. As a result of his first conversation with Thompson, Inglis sent Thompson a copy of the Private Placement Memorandum, which included the prospectus for the April, 1971 public offering.

A. 109. Admit the matters set forth in Request 109.

Q. 110. Thompson had a second phone call from Inglis before August 4, 1971 concerning the Private Placement.

A. 110. Admit the matters set forth in Request 110.

Q. 111. On August 4, 1971, Thompson met with Inglis of Hayden Stone and thereafter met with Topper officials, at times in the presence of Inglis, to discuss Topper.

A. 111. Admits the matters set forth in Request 111.

Q. 112. After their discussion on Topper, Inglis and Thompson proceeded to the Topper showroom where Orenstein took Thompson on a one-hour tour of the Topper products.

A. 112. Deny the matters set forth in Request 112, except admit that, following his meeting with Mr. Inglis, Mr. Thompson proceeded to the Topper showroom and that the happenings on that occasion at that locale were as set forth in the Thompson deposition (at 111-14).

Q. 113. Thompson was then driven to Topper's plant in Elizabeth, New Jersey. Orenstein then took Thompson on a tour of the Topper facilities, accompanied at times by Inglis and various other Topper officials.

A. 113. Deny the matters set forth in Request 113, except admit that Thompson was then driven to Topper's facility at Elizabeth, New Jersey, and that the particular individual or individuals who accompanied Mr. Thompson through particular parts of such facility were as set forth in the Thompson deposition (at 114-28).

Q. 114. During Thompson's trip to Topper, Thompson's and Rose's discussion included the relationship between Topper and Citibank. Prior to the Private Placement, Thompson was told that the Lending Banks had the accounts receivable, and the inventory, the molds, the machinery, and really everything that was worth having in Topper as collateral for the loan to Topper.

A. 114. Deny the matters set forth in Request 114, except admit that Mr. Thompson's discussion with Mr. Rose on August 4, 1971, included matters set forth in the Thompson deposition (at 115-28).

Q. 115. After the tour of the plant ended, Thompson, Orenstein and Jack Jones, who was vice president in charge of Topper's promotion, and probably also Inglis, returned to Manhattan and saw Topper's commercials at Dancer Fitzgerald · Topper's advertising agency.

A. 115. Deny the matters set forth in Request 115, except admit that Thompson was driven back to Manhattan from Topper's facilities at Elizabeth, New Jersey, and that, in addition to those persons specified in Request 115, Mr. Inglis of Hayden Stone probably also rode back from New Jersey to Manhattan.

Q. 116. On August 5, 1971, Inglis telephoned Thompson concerning the Private Placement.

A. 116. Admit the matters set forth in Request 116.

Q. 117. On August 5, 1971, Thompson advised Molé concerning the Private Placement that, if Molé concurred, Thompson "would like to do this deal".

A. 117. Deny the matters set forth in Request 117, except admit that, on August 5 or 6, 1971, Mr. Thompson sought Mr. Molé's "opinion as to whether" the Pension Fund "should do further work on... the [Private Placement] before he [Mr. Molé] went on vacation" (Thompson Dep. at 406).

Q. 118. Following Molé's approval to make further inquiries Thompson called to request that Sumner Feldberg, Executive Vice President of Zayre, and John Hebard, an Assistant Treasurer at J. C. Penney, have the person in each organization most knowledgeable about the toy industry business contact Thompson.

A. 118. Admits the matters set forth in Request 118.

Q. 119. Thompson read an article about Topper by Dan Dorfman in the Wall Street Journal on or about August 10, 1971, and received a telephone call from Mr. Orenstein that same day in the course of which that article was discussed.

A. 119. Admits the matters set forth in Request 119.

Q. 120. On the same day he spoke with Orenstein, Thompson called Christopher Cerf, of Childrens Television Workshop, about Topper.

A. 120. Deny the matters set forth in Request 120, except admit that on or about August 10, 1971 Mr. Thompson called Christopher Cerf of Children's Television Workshop, and that the substance of Mr. Thompson's conversation with Mr. Cerf on that occasion is as set forth in Mr. Thompson's contemporaneous memorandum reporting thereon (CBX 5).

Q. 121. On the same day, Thompson called Bill Schwartz at Burnham & Co. concerning the Private placement because he had been mentioned in the Wall Street Journal article. Thompson had met Schwartz at meetings of Mattel and Ideal Tov that Thompson had attended.

A. 121. Deny the matters set forth in Request 121, except admit that on or about August 10, 1971, Mr. Thompson spoke on the telephone with Bill Schwartz of Burnham & Co., and that the substance of Mr. Thompson's conversation with Mr. Schwartz on that occasion is as set forth in Mr. Thompson's contemporaneous memorandum reporting thereon (CBX 4A).

Q. 122. On or about August 11- 12, 1972, Hessdorf of Zayre called Thompson about Topper.

A. 122. Admit the matters set forth in Request 122.

Q. 123. Shortly after Mr. Thompson's conversation with Hessdorf, Folan from J. C. Penney called Thompson about Topper.

A. 123. Admit the matters set forth in Request 123.

Q. 124. On or about August 12, 1971 Thompson spoke about Topper with Glover Johnson, a director of Topper and a partner of White & Case, Topper's lawyers, in connection with the Private Placement.

A. 124. Deny the matters set forth in Request 124, except admit that on or about August 12, 1971, Mr. Thompson spoke with Mr. Johnson and that the substance of that conversation is as set forth in Mr. Thompson's contemporaneous memorandum reporting thereon (CBX 8).

Q. 125. [Withdrawn]

Q. 126. Prior to the Private Placement, Graham Harrison of the Pension Fund asked a neighbor who was the products development manager of Louis Marx, a privately owned toy manufacturer, some questions about Topper.

A. 126. Deny the matters set forth in Request 126, except admit that, prior to the Private Placement, Mr. Graham O. Harrison of the Pension Fund, while "walking up from the train station" with a "neighbor" who was "employed by Louis Marx, which was a privately-owned toy manufacturer" (Harrison Dep. at 8), asked "whether he was familiar with Topper" and "about Henry Orenstein." The response Mr. Harrison received was that Mr. Orenstein "was important to Topper, well known in the trade" (id.); and further that the toy industry "was worse than the garment industry" (id. at 9). Mr. Harrison "took" this "statement to mean that there was a little protection that you could give to new products and there was great secrecy attached to it and it was very competitive" (id.).

Q. 127. Prior to an August 13, 1971 meeting with Rose and Downs of Topper, Thompson gave to Harrison, and Harrison read, a copy of the Private Placement Memorandum, containing the April 29, 1971 Prospectus.

A. 127. Admits the matters set forth in Request 127.

Q. 128. On August 13, 1971, Harrison and Thompson of the Pension Fund and Rose and Downs of Topper had a meeting at Thompson's request at the offices of the Pension Fund to go over Topper's reports on inventories and accounts receivable. The discussion lasted most of the morning and continued during lunch.

A. 128. Deny the matters set forth in Request 128, except admit that on or about August 13, 1971, Messrs. Harrison and Thompson of the Pension Fund met with Messrs. Rose and Downs of Topper at the offices of the Pension Fund during the morning, and that Mr. Thompson lunched at the Pension Fund with Messrs. Rose and Downs that same day.

Q. 129. In the middle of August, 1971, Thompson reviewed with George Nelson, Assistant to the President of the Pension Fund, who had reviewed the Private Placement Memorandum, all of the work Thompson had done on Topper. Nelson then called John McNally, a partner of White & Case, to inquire about Topper and about Glover Johnson.

A. 129. Deny the matters set forth in Request 129, except admit that in mid-August of 1971 Thompson discussed possible investment of the Pension Fund in Topper with George Nelson, Assistant to the President of the Pension Fund, who had reviewed Hayden Stone's Private Placement Memorandum. In the course of that conference Nelson suggested that Thompson check with Citibank whom he knew to be Topper's prime lender:

> "We had a particularly close relationship with the first National City Bank. They, in effect, had an investment council [sic] arrangement with us. We met with them frequently. We felt free to call upon them for all kinds of things. In my opinion, we dealt with them in perfect confidence" (Nelson Dep. at 15);

and Mr. Nelson himself called a partner at White & Case, with whom Mr. Nelson had worked closely over the years in connection with legal matters involving the Pension Fund, to secure "his private opinion of Mr. Johnson's judgment" (id. at 16).

Q. 130. Between the meeting of August 13, 1971 and a discussion of Topper with Molé, Thompson received frequent calls from Orenstein concerning the Private Placement.

A. 130. Deny the matters set forth in Request 130, except admit that during the period August 13 through August 23, 1971, Thompson received telephone calls from Orenstein.

Q. 131. Inglis also called Thompson frequently during this period concerning the Private Placement.

A. 131. Deny the matters set forth in Request 131, except admit that during the period August 13 through August 23, 1971, Thompson received telephone calls from Inglis of Hayden Stone.

Q. 132. In answer to Thompson's request, Rose sent Thompson, by letter dated August 18, 1971, a "fail safe" projection of the minimum operations which would be required to satisfy interest coverage and the Convertible Debenture sinking fund requirements.

A. 132. Admit the matters set forth in Request 132.

Q. 133. Thompson met with Molé around August 23, 1971 on the Topper investment when they discussed generally the work Thompson had been doing. Molé told Thompson he should call Jeffers at Citibank, which Thompson did on or about August 25, 1971.

A. 133. Admit the matters set forth in Request 133.

Q. 133A. During his telephone conversation with Waldman of Citibank, Thompson did not tell Waldman that the Pension Fund had a custodial or investment advisory account with Citibank or that there was any arrangement or relationship between the Pension Fund and Citibank whereby Citibank was obligated to give or did in fact give investment advice to the Pension Fund.

A. 133A. Deny the matters set forth in Request 133A, except admit that the substance of, and circumstances surrounding, Mr. Thompson's conversation with Mr. Waldman of Citibank is as set forth in Mr. Thompson's deposition testimony at passages including, but not limited to, 11-32, 215-50, 291-322, and 446-68.

Q. 134. On September 1, there was a meeting in Molé's office attended by Molé, Thompson, Orenstein, Downs, Rose and Inglis concerning the Private Placement.

A. 134. Admit the matters set forth in Request 134.

Q. 135. Between the September 1, 1971 meeting in Molé's office, and September 28, 1971, Thompson had one or more telephone calls with Rose concerning the Private Placement.

A. 135. Admits the matters set forth in Request 135.

Q. 136. After the September 1, 1971 meeting in Molé's office, Molé approved the writing of a decision memorandum by Thompson. Thompson wrote a decision memorandum, dated September 2, 1971, which Molé reviewed and approved without making any changes. Molé then took the decision memorandum to four members of the Pension Fund Finance Committee, each of whom discussed it with Molé and approved it within minutes.

A. 136. Deny the matters set forth in Request 136, except admit that after the September 1 meeting, Mole approved the writing of the decision memo which was to go to the Pension Fund Finance Committee. Thompson drafted the memo and Mole reviewed it. Mole then reviewed the decision memo with various members of the Pension Fund Finance Committee, each of whom discussed it with Mole and approved it.

Q. 137. [Withdrawn]

Q. 138. Had Thompson known more about the toy business, he would have been alert to explore further the area of Topper's selling practices and returns.

A. 138. Deny the matters set forth in Request 138.

Connecticut Mutual

Q. 139. Prior to September 28, 1971, Connecticut Mutual concluded that Henry Orenstein was the key to Topper's success.

A. 139. Admit the matters set forth in Request 139.

Q. 140. Prior to the Private Placement, Connecticut Mutual believed that in the toy business new toys have to be constantly introduced.

A. 140. Deny the matters set forth in Request 140, except admit that prior to September 28, 1971, Connecticut Mutual believed that competitive success and growth in the toy business required the ability successfully to introduce new lines of toys to replace older lines as they began to fade in market favor. Further, with regard to Topper, Connecticut Mutual accepted as fact the statement in Hayden Stone's Private Placement Memorandum (at 9): "In large measure the Company's financial success is dependent upon its ability to design and develop major new product lines for the marketplace".

Q. 141. Prior to the Private Placement, Connecticut Mutual believed that Topper's products "Walking Letters" and "Spell-A-Phone" could easily do $20 million per year in volume of sales.

A. 141. Deny the matters set forth in Request 141, except admit that prior to September 28, 1971, Mr. Hieronymus of Connecticut Mutual was shown by Mr. Orenstein "[t]he Spell-a-Phone, Walking Letters, . . . the puppets of the Sesame Street characters and a few . . . puzzles", and was then told by Mr. Orenstein that "they thought they'd do at least $5 million in sales in '71 and sales were just going to be inhibited by the production capacity rather than the demand for them" (Hieronymus Dep. at 27). At the time, Mr. Hieronymus had no reason not to credit what Mr. Orenstein told him.

Q. 142. Prior to September 28, 1971, Connecticut Mutual knew that virtually all of Topper's assets were pledged as collateral to secure loans from the Lending Banks.

A. 142. Admit the matters set forth in Request 142.

Q. 143. On or about August 11, 1971, David Downs told Hieronymus that the Lending Banks had agreed to review Topper's loans in the Spring of 1972 with a view toward changing these loans to an "unsecured" basis.

A. 143. Admit the matters set forth in Request 143.

Q. 144. On or about August 11, 1971, Henry Orenstein informed Hieronymus that Topper no longer engaged in the practice of selling on a bill-and-hold basis and would not consider doing so in the future.

A. 144. Admit the matters set forth in Request 144.

Q. 145. On or about August 11, 1971 Hieronymus, knowing of the prior existence of the bill and hold arrangements that the company had, asked Rose if they were firm sales. Rose replied that the sales were firm and legally collectible and that as a matter of policy to keep good will, Topper had an exchange or adjustment policy whereby it accepted some material back, but in no case would this practice amount to more than five to seven per cent of the total sales made during the year.

A. 145. Deny the matters set forth in Request 145, except admit on or about August 11, 1971, Jack Rose of Topper "indicated" to Mr. Hieronymus of Connecticut Mutual "that once the product was shipped it was immediately booked as a sale" (Hieronymus Dep. at 34). "[K]nowing of the prior existence of the bill and hold arrangements that the company had", Mr. Hieronymus then "asked Mr. Rose were these firm sales and he said yes and he gave . . . an example as to how the sales were firm by saying that if the company should go out of business tomorrow, the company would legally be able to collect all the receivables. He said, 'Though as a matter of policy to keep good will, we do have an exchange or adjustment policy where we do accept some material back,' he said, 'but in no case would . . . [such allowances of all kinds plus adjustments for defective as well as mis-shipped or over-shipped merchandise] amount to more than 5 to 7 per cent of the total sales made during the year'" (id. at 35).

Q. 146. Prior to September 28, 1971, Connecticut Mutual was informed by Inglis of Hayden Stone that, because of investor interest, the Private Placement would be raised to a total of $7 million. Sometime thereafter, and also prior to September 28, 1971, Connecticut Mutual was informed that American National Insurance Company and the Princeton Endowment Fund had dropped out of the Private Placement, and that the Private Placement would be in the amount of $5 million.

A. 146. Deny the matters set forth in Request 146, except admit that prior to September 28, 1971, Mr. Inglis of Hayden Stone informed Mr. Hieronymus of Connecticut Mutual that the Private Placement would be increased from $5 million to $7 million. Some time thereafter, and also prior to September 28, 1971, Connecticut Mutual was informed that American Life Insurance Company and the Princeton Endowment Fund would not be participating in the Private Placement, and the Private Placement would be in the amount originally planned, $5 million.

Q. 147. On or about August 19, 1971, Rose provided Connecticut Mutual with, among other things, an analysis of gross margin by product line for 1970 and 1971, which reported that Topper sales of the Dawn line of dolls in 1970 were $34,155,000, or more than half, of the total 1970 sales of $63,936,000.

A. 147. Deny the matters set forth in Request 147, except admit that on or about August 19, 1971, Mr. Rose provided Connecticut Mutual with, among other things, "an analysis of gross margin by product line by 1970 and 1971", which reported that Topper sales of Dawn Dolls in 1970 were $34,155,000 and total sales were $63,936,000.

Q. 148. Prior to the Private Placement, Connecticut Mutual concluded that it was reasonable to expect a market price for Topper common stock of $29 in 1973, and that in light of the conversion price provided for in the Private Placement, this would represent a 24% overall return to Connecticut Mutual on its investment in the Private Placement.

A. 148. Deny the matters set forth in Request 148, except admit that based principally upon information furnished by Hayden Stone, Connecticut Mutual concluded prior to September 28, 1971 that it was reasonable to expect a market price for Topper common stock of $29 in 1973, and that in light of the conversion price provided for in the Private Placement, this would represent a 24% overall return to Connecticut Mutual.

Q. 149. Prior to the Private Placement, Connecticut Mutual concluded that there was above average risk in investment in the Private Placement.

A. 149. Deny the matters set forth in Request 149, except admit that Mr. Hieronymus prepared a memorandum dated August 30, 1971, which stated (OX 9 at 11):

> "While the anticipated return on this deal could easily be as high as 24%, there is also above average risk in this situation. Topper's product line is relatively narrow with heavy dependence on new products. The Company estimated that more than 95% of its 1970 net sales was derived from items introduced since the end of 1968. The introductions of Sesame Street educational toys should mitigate this dependence on major new products, but a major portion of projected sales and profits will still come from the Topper line. Due to the heavy advertising expenditures (15% of sales in 1970) on a few products, a successful marketing program is a must. Mr. Henry Orenstein, President of the Company, is 48 years old. He has an instrumental role in product development and creation of advertising, and the Company is very dependent on his continuing efforts. In participating in the Convertible Subordinated Debentures, we are junior to all short-term bank debt and to $7 million long-term debt."

Q. 150. Prior to the Private Placement, each plaintiff was informed that the law firm of White & Case would be representing Topper in connection with the Private Placement and that White & Case planned to form a second group of lawyers, independent from the group representing Topper, who would act for the purchasers in the Private Placement. Subject to the formation of these two teams, each functioning independently of the other, each plaintiff consented to representation by White & Case in connection with the Private Placement.

A. 150. Deny the matters set forth in Request 150, except admit that prior to September 28, 1971, Connecticut Mutual was informed that the law firm of White & Case would be representing Topper in connection with the Private Placement; Connecticut Mutual was also informed that White & Case planned to form a second group of lawyers, independent from the group representing Topper, who would act for the purchasers in the Private Placement; the second group of lawyers was headed by Thomas Ramseur, who had "long been involved with matters for" the Pension Fund. Subject to the formation of these two teams, each functioning independently of the other, Connecticut Mutual consented to representation by White & Case in connection with the Private Placement, as did Hayden Stone, who was acting as agent for the Dallas Bank.

Q. 151. Sometime in mid-July 1971, Inglis of Hayden Stone telephoned Weir to solicit Connecticut Mutual's participation in the Private Placement.

A. 151. Admit the matters set forth in Request 151.

Q. 152. Shortly after Inglis' phone call, Weir gave Hieronymus a copy of the Private Placement Memorandum and asked Hieronymus to look into Topper as a possible investment.

A. 152. Admit the matters set forth in Request 152.

Q. 153. Hieronymus, upon receiving the Private Placement Memorandum, read it over and then prepared an internal work sheet called a spread sheet, which put down information from the balance sheet and the income statements for the last five years and was used as part of Connecticut Mutual's credit analysis; thereafter, Hieronymus again read and reviewed the Private Placement Memorandum on subsequent occasions prior to the Private Placement.

A. 153. Admit the matters set forth in Request 153.

Q. 154. Hieronymus' reading and examination of the Private Placement Memorandum, in conjunction with setting up information in the spread sheet, took place over a period of four to five business days.

A. 154. Admit the matters set forth in Request 154.

Q. 155. In addition to examining the Private Placement Memorandum and making the spread sheet, Hieronymus telephoned Inglis and requested the latest financial statements and a list of customers before reporting to Weir.

A. 155. Admit the matters set forth in Request 155.

Q. 156. Before August 11, 1972, Hieronymus informed Weir that Topper looked good and that Connecticut Mutual should pursue it. Weir reviewed the spread sheet, concurred with Hieronymus' analysis and instructed Hieronymus to pursue the investment.

A. 156. Deny the matters set forth in Request 156, except admit that before August 11, 1971, Mr. Hieronymus informed Mr. Weir "what the company did, described briefly some of the toys that had been mentioned..." in the Private Placement Memorandum (Hieronymus Dep. at 15); Hieronymus further mentioned "that there appeared to be a good growth rate here in sales, that sales were trending up, new product introductions were quite frequent in the last couple of years, that the [Hayden Stone] memorandum indicated that '71 was proceeding very good and the reception of the major toy lines are of Dawn doll and the several other toys, and that the contract with Sesame Street added stability to the situation" (id. at 16-17); Mr. Weir reviewed the spread sheet and indicated "that this was something that [Connecticut Mutual] could pursue and possible equity participation here could be attractive to us" (id. at 16).

Q. 157. After he received the Private Placement Memorandum in mid-July and before August 11, 1971, Hieronymus had three or four further telephone calls from Inglis.

A. 157. Admit the matters set forth in Request 157.

Q. 158. On August 9, 1971, Rose sent Hieronymus a copy of Topper's financial statements for the six months ended June 30, 1971 and a list of ten of Topper's largest customers, including a list of individuals and phone numbers.

A. 158. Admit the matters set forth in Request 158.

Q. 159. On August 11, 1971, Hieronymus visited Topper's showroom in New York City and its plant in Elizabeth, New Jersey.

A. 159. Admit the matters set forth in Request 159.

Q. 160. Hieronymus had a discussion with Orenstein in the car on the way to Topper's New Jersey plant on August 11, 1971.

A. 160. Admit the matters set forth in Request 160.

Q. 161. Orenstein told Hieronymus that Topper would welcome a bank check and gave him a list of people at Citibank and Manufacturers Hanover to contact.

A. 161. Deny the matters set forth in Request 161, except admit that Mr. Orenstein told Mr. Hieronymus that he should feel free to contact Topper's principal banks, if he so chose, and Mr. Orenstein specified on that occasion Citibank and Manufacturers Hanover Trust.

Q. 162. After lunch, Hieronymus toured the Topper manufacturing area.

A. 162. Admit the matters set forth in Request 162.

Q. 163. After his tour of the Topper manufacturing area, Hieronymus met with Inglis and Rose for about 45 minutes. They toured the computer room, and returned to Rose's office.

A. 163. Admit the matters set forth in Request 163.

Q. 164. Rose showed Hieronymus a computer printout of customers and orders which showed $53 million in orders received so far that year by Topper.

164. Deny the matters set forth in Request 164, except admit that after lunch during Hieronymus' August 11, 1971 visit to Topper, in the course of a meeting at Mr. Rose's office, Hieronymus was shown "a computer printout that had a list of cus-

tomers and the orders the company had received thus far this year ... [f]inally, down at the end was a figure of $53,000,000 in orders that had been received by the company and ... [Mr. Hieronymus] asked Mr. Rose if these orders were firm and" Mr. Rose then "indicated to" Mr. Hieronymus "that Mr. Orenstein thought they were good orders and based on his knowledge of how the ordering pattern goes, he has never been wrong this far into the season" (Hieronymus Dep. at 34).

Q. 165. Upon returning to Hartford, Hieronymus prepared a memorandum dated August 17, 1971 and addressed and delivered it to Mr. Weir. It was prepared on the basis of the Private Placement Memorandum and information Hieronymus gathered on his trip to Topper.

A. 165. Deny the matters set forth in Request 165, except admit that upon returning to Hartford, Hieronymus prepared a memorandum dated August 17, 1971, and addressed and delivered it to Mr. Weir.

Q. 166. On August 30, 1971, Hieronymus discussed his August 17, 1971 memo with Weir.

A. 166. Admit the matters set forth in Request 166.

Q. 167. Hieronymus had no experience with any toy company prior to Topper.

A. 167. Deny the matters set forth in Request 167.

Q. 168. On August 17, 1971, Inglis telephoned Hieronymus concerning the Private Placement.

A. 168. Admit the matters set forth in Request 168.

Q. 169. By letter dated August 19, 1971, Rose sent to Hieronmyus a booklet entitled "Topper Corporation - Examples of Company Reporting".

A. 169. Admit the matters set forth in Request 169.

Q. 170. By letter dated August 19, 1971, Rose sent Hieronymus a "fail safe" projection of minimum operations required to satisfy interest coverage and the Convertible Debentures sinking fund requirements.

A. 170. Admit the matters set forth in Request 170.

Q. 171. On or about August 25, 1971, Hieronymus talked with Matthew Bailey, a toy buyer from W. T. Grant, about Topper.

A. 171. Deny the matters set forth in Request 171, except admit that on or about August 24 or August 25, 1971 (Hieronymus Dep. at 63), Hieronymus talked on the telephone with Matthew Bailey, toy buyer from W. T. Grant, and that the substance of that conversation is as set forth in Mr. Hieronymus' contemporaneous memorandum reporting thereon (OX 7).

Q. 172. On or about August 25, 1971, Hieronymus telephoned Abe Rosenblatt of E. J. Korvette about Topper.

A. 172. Deny the matters set forth in Request 172, except admit that on or about August 24, 1971, Mr. Hieronymus spoke on the telephone with Abe Rosenblatt of E. J. Korvette, and that the substance of that conversation is as set forth in Mr. Hieronymus' contemporaneous memorandum reporting thereon (OX 8).

Q. 173. Hieronymus had several discussions concerning Topper with Weir from August 30, 1971 through September 3, 1971.

A. 173. Admit the matters set forth in Request 173.

Q. 174. Jay Inglis called Hieronymus several times from August 30, 1971 through September 3, 1971.

A. 174. Admit the matters set forth in Request 174.

Q. 175. Hieronymus wrote his report dated August 30, 1971 (an "Industrial Summary Sheet") during a three day period from August 30 to September 1, 1971, on the basis of the Private Placement Memorandum, his conversations with Topper management, and conversations with Hayden Stone. When he prepared the Industrial Summary Sheet he did not know that the Pension Fund had contacted Citibank concerning Topper.

A. 175. Deny the matters set forth in Request 175, except admit that Hieronymus wrote his report dated August 30, 1971 during a three-day period from August 30 to September 1, 1971, on the basis of, among other things, the Private Placement Memorandum, his conversations with Hayden Stone, and his conversations with Topper management.

Q. 176. Hieronymus gave the Industrial Summary Sheet to Weir on September 1, 1971.

A. 176. Admit the matters set forth in Request 176.

Q. 177. Prior to the Private Placement, Weir read the following documents:

(1) portions of the Private Placement Memorandum (PX 462);

(2) Memo to Weir from Hieronymus of August 17, 1971 (Orenstein Ex. 3);

(3) Memo to Weir from Hieronymus of August 18, 1971 (Orenstein Ex. 5);

(4) Memo to File from Hieronymus of August 25, 1971 (Orenstein Ex. 7);

(5) Memo to File from Hieronymus of August 25, 1971 (Orenstein Ex. 8);

(6) Industrial Summary Sheet, August 30, 1971 (Orenstein Ex. 9);

(7) Executive Committee Memorandum of September 2, 1971 (Orenstein Ex. 11);

(8) Executive Committee Memorandum of September 3, 1971 (Orenstein Ex. 12); and

(9) Internal financial worksheets that Hieronymus prepared in connection with Connecticut Mutual's investigation of Topper. (Hieronymus Dep. 12-13).

A. 177. Admit the matters set forth in Request 177.

Q. 178. Prior to the Private Placement, Connecticut Mutual knew that Topper was planning to use the proceeds from the Private Placement to reduce its secured bank borrowings.

A. 178. Deny the matters set forth in Request 178, except admit that prior to the Private Placement the Hayden Stone Private Placement Memorandum stated that Topper "propose[d] to use the net proceeds of this placement to reduce its bank indebtedness, which will enable the Company to reduce the effective interest cost on its bank loans" (PX 462 at 5).

Q. 179. Prior to the Private Placement, Inglis had recommended to Weir the participation by Connecticut Mutual in a previous private offering, which Weir believed was doing well at the time of the Private Placement.

A. 179. Deny the matters set forth in Request 179, except admit that prior to the Private Placement, Mr. Inglis had recommended to Mr. Weir participation by Connecticut Mutual in a previous private placement which appeared to be doing well at the time of the Private Placement.

Q. 180. Connecticut Mutual believed that the interest rate for the Ford Motor Credit loan to Topper was 5-1/2% above prime commercial rate, with a maximum of 14%, and that such loan was to be secured.

A. 180. Deny the matters set forth in Request 180, except admit that Connecticut Mutual believed (as the Hayden Stone Private Placement Memorandum reported) that the interest rate for the Ford Motor Credit loan to Topper was 5-1/2% above prime commercial rate, with a maximum of 14%, and that such loan was to be secured, but would "revert to an unsecured term loan" if certain conditions were met (OX 3).

Q. 181. Prior to the Private Placement, Hieronymus advised Weir that the interest rate which Citibank was receiving under the Financing Agreement was effectively 13 to 14%.

A. 181. Admit the matters set forth in Request 181.

Q. 182. Weir read the Industrial Summary Sheet several times by the afternoon of September 2, 1971. Weir then discussed the proposed participation by Connecticut Mutual in the Private Placement with Edward B. Bates, who was president, and director, and a member of the Executive Committee of the Board of Directors, of Connecticut Mutual, on September 2, 1971. The Industrial Summary Sheet was prepared in order to enable Bates to review the investment and to be the basis for discussions between Weir and Bates.

A. 182. Deny the matters set forth in Request 182, except admit that Mr. Weir received the Industrial Summary Sheet on Topper (OX 9) on September 1, 1971 and read it several times by the afternoon of September 2, 1971; that Mr. Weir discussed it with Mr. Bates during the afternoon of September 2, 1971; and that Mr. Weir concluded that participation in the proposed Private Placement should be presented to the Executive Committee of Connecticut Mutual sometime during the afternoon of September 2, 1971, and that such proposed participation would be subject to the receipt of no material, adverse information regarding the financial condition or business affairs of Topper prior to the closing.

Q. 183. By the termination of that meeting between Weir and Bates, Bates concluded that Connecticut Mutual's participation in the Private Placement should be recommended to the Executive Committee of Connecticut Mutual.

A. 183. Deny the matters set forth in Request 183, except admit that Mr. Bates agreed that participation in the Private Placement should be submitted to the Executive Committee of Connecticut Mutual sometime during the afternoon of September 2, 1971, and that such proposed participation would be subject to the receipt of no material, adverse information regarding the financial condition or business affairs of Topper prior to the closing.

Q. 184. Prior to the Private Placement, the Executive Committee of Connecticut Mutual had never rejected a proposed purchase of any securities.

A. 184. Plaintiffs have made reasonable inquiries and information known or readily obtainable by plaintiffs is insufficient to enable them to admit or deny Request 184.

Q. 185. During 1971, when investigating an issuer for participation in a private offering, Connecticut Mutual commonly consulted the offering circular in connection therewith; a Dun & Bradstreet report; management of the issuer; Standard & Poor's; Moody's Industrials; brokerage house or investment banking reports on the issuer, where available; and banking sources, where appropriate.

A. 185. Deny the matters set forth in Request 185, except admit that when investigating an issuer for participation in a private offering, Connecticut Mutual would commonly consult the offering circular in connection therewith; a Dun & Bradstreet report; management of the issuer; Standard & Poor's; Moody's; brokerage house or investment banking reports on the issuer, where available; and banking sources, where appropriate.

Q. 186. Prior to the Private Placement Connecticut Mutual knew that the proceeds thereof would be used to pay down Topper's secured bank loans.

A. 186. Admit the matters set forth in Request 186.

Q. 187. The determination that Connecticut Mutual participate in the Private Placement required the concurrence of both Bates and Weir.

A. 187. Deny the matters set forth in Request 187, except admit that the determination of whether or not the topic of participation in a private placement (including the proposed Private Placement) should be presented to the Executive Committee, as a matter of practice, involved the concurrence of both Mr. Bates and Mr. Weir.

Q. 188. Weir decided on September 2, 1971 to recommend participation in the proposed Private Placement to the Executive Committee of Connecticut Mutual.

A. 188. Deny the matters set forth in Request 188, except admit that Mr. Weir decided on September 2, 1971 to present participation in the proposed Private Placement to the Executive Committee of Connecticut Mutual. Such decision was subject, however, to the receipt of no material, adverse information regarding the financial condition or business affairs of Topper prior to the closing.

Q. 189. (Withdrawn - See Request 182)

A. 189. Deny the matters set forth in Request 189, except admit that Mr. Weir discussed the proposed participation by Connecticut Mutual in the Private Placement with Edward B. Bates, President, a director and a member of the Executive Committee of the Board of Directors of Connecticut Mutual on September 2, 1971; and that Mr. Bates decided that Connecticut Mutual's participation in the Private Placement should be presented to the Executive Committee, subject to the resolution of any questions and subject to the receipt of no material, adverse information regarding the financial condition or business affairs of Topper prior to the closing.

Q. 190. During that meeting between Weir and Bates, Bates read the Industrial Summary Sheet (Orenstein Exhibit 9) and discussed it with Weir.

A. 190. Admit the matters set forth in Request 190.

Q. 191. Connecticut Mutual cannot recall whether Inglis told Hieronymus, or Hieronymus told Weir, about the Pension Fund's contact with Citibank concerning Topper prior to the September 2, 1971 meeting between Weir and Bates or whether that fact was discussed at the meeting between Weir and Bates.

A. 191. Plaintiffs have made reasonable inquiries and information known or readily obtainable by plaintiffs is insufficient to enable them to admit or deny Request 191.

Q. 192. Prior to the Private Placement, the Executive Committee of Connecticut Mutual had never rejected a proposed investment recommended to it by Weir.

A. 192. Plaintiffs have made reasonable inquiries and information known or readily obtainable by them is insufficient to enable plaintiffs to admit or deny Request 192.

Q. 193. Prior to the Private Placement, the Board of Directors of Connecticut Mutual had never declined to ratify a Connecticut Mutual investment approved by its Executive Committee.

A. 193. Plaintiffs have made reasonable inquiries and information known or readily obtainable by them is insufficient to enable plaintiffs to admit or deny Request 193.

Q. 194. Except for Bates' review of the Industrial Summary Sheet with Weir, the only document concerning Topper reviewed by the members of the Executive Committee prior to their approval of Connecticut Mutual's participation in the Private Placement was an Executive Committee Memorandum dated September 2, 1971. No mention is made of the Pension Fund's contact with Citibank concerning Topper in Orenstein Exhibit 11.

A. 194. Admit the matters set forth in Request 194.

The Dallas Bank

Q. 195. Prior to the Private Placement the Dallas Bank did not know that Citibank was lending money to Topper.

A. 195. Admit the matters set forth in Request 195.

Q. 196. Prior to the Private Placement the Dallas Bank did not know that the Pension Fund had contacted Citibank concerning Topper.

A. 196. Admit the matters set forth in Request 196.

Q. 197. The initial communication in which the Dallas Bank learned about the Private Placement was a telephone call from James Ledbetter of Bernstein-Macaulay, Inc., a subsidiary of Hayden Stone. The call was received by Marvin Jaynes on or about September 16, 1971.

A. 197. Admit the matter set forth in Request 197.

Q. 198. Among other things, Ledbetter asked Jaynes if the Dallas Bank was prepared to participate in the Private Placement.

A. 198. Deny the matters set forth in Request 198, except admit that Mr. Ledbetter asked Mr. Jaynes if the Dallas Bank "was prepared to participate in the Topper private placement" (Jaynes Dep. at 7). When Mr. Jaynes indicated that he had not heard of the Private Placement prior to this time, Mr. Ledbetter, among other things, "proceeded to explain what it was about and what [Hayden Stone and Bernstein-Macaulay] were doing, and essentially why he thought it was a good investment" (id. at 8). Mr. Ledbetter further said that Hayden Stone "had two men on the board and knew the company well, this was a convertible subordinate debenture, drawing good rate, and he would have the right down the road to exchange some common stock, the stock was then trading around 12.... [Mr. Ledbetter] thought it would be at 40, that was [Hayden Stone's] expectations, in a couple of years" and "it would be a good investment for the fund. He also mentioned about some major institutions participating" (id. at 8).

Q. 199. Subsequent to the telephone call Ledbetter sent Jaynes a Private Placement Memorandum which Jaynes read.

A. 199. Admit the matters set forth in Request 199.

Q. 200. Prior to the Private Placement the only document which the Dallas Bank reviewed or saw concerning Topper was the Private Placement Memorandum.

A. 200. Admit the matters set forth in Request 200.

Q. 201. After Jaynes read the Private Placement Memorandum Ledbetter called him again. In that conversation Jaynes told Ledbetter that the Dallas Bank did not want to participate in the Private Placement.

A. 201. Admit the matters set forth in Request 201.

Q. 202. Ledbetter called Jaynes again shortly after that call to ask Jaynes if the Dallas Bank would be interested in taking a smaller participation in the Private Placement than Ledbetter had initially suggested.

A. 202. Admit the matters set forth in Request 202.

Q. 203. John M. Gray, who was Chairman of the Board of Directors and Chief Executive Officer of the Dallas Bank, received a telephone call from William Tinsley, a partner of Wynne, Jaffe & Tinsley, which was counsel to the Dallas Bank and to the Omega-Alpha, Inc. (parent of Okonite Pool Trust). During that call Tinsley stated, among other things, that he had received a very troubled call from Cogan of Bernstein-Macaulay, Inc. to the effect that the Dallas Bank had apparently rejected an investment in Topper and that Tinsley wanted Gray to look into the matter.

A. 203. Deny the matters set forth in Request 203, except admit that John M. Gray, who was Chairman of the Board of Directors and Chief Executive Officer of the Dallas Bank, received a telephone call from William Tinsley, a partner of Wynne, Jaffe and Tinsley, which was counsel of the Dallas Bank and Omega-Alpha Inc. (the parent of the Okonite Pool Trust), as well as a director of both the Dallas Bank and Omega-Alpha Inc. In the course of that call, Mr. Tinsley told Mr. Gray that "he had received a very troubled call from Marshall Cogan" to the effect that the Dallas Bank "had apparently rejected an investment in Topper Corporation debentures which" Hayden Stone "wanted made in behalf of the Okonite or Omega-Alpha Pension Trust" and that Tinsley wanted Mr. Gray "to look into the matter, and see if there was something" the Dallas Bank "could do to help them" (*Gray Dep.* at 24-25). Mr. Gray viewed that call "of sufficient anxiety that ... Mr. Cogan had interrupted Bill Tinsley's similar luncheon in Atlanta, Georgia to get his message through" (*id.* at 25).

204. Subsequently, Jaynes received a call from Gray to inquire why Jaynes had refused to participate in the Private Placement.

204. Admit the matters set forth in Request 204.

205. Jaynes thereafter met with Gray and reviewed the Private Placement Memorandum with him.

205. Admit the matters set forth in Request 205.

206. In the course of the meeting, Jaynes proceeded to convince Gray that Jaynes' judgment that the Dallas Bank should not participate in the Private Placement was correct.

206. Deny the matters set forth in Request 206, except admit that in the course of Mr. Gray's meeting with Mr. Jaynes, Mr. Jaynes presented Mr. Gray "with the documentation that he had and at least summarized his analysis of the investment and proceeded to convince" Mr. Gray "that his judgment was correct" and Mr. Gray's "initial reaction was to sustain Marvin Jaynes' decision" (Gray Dep. at 28). Mr. Jaynes' decision, according to Mr. Gray, "focused on the speculative character of" the proposed investment "and the fact that, in his opinion, it failed to meet the standards of quality of an investment that should go into the pension trust" (Gray Dep. at 29).

Q. 207. Thereafter, Tinsley came to Gray's office to learn what disposition had been made of the Topper matter. During that meeting it was concluded, among other things, that it would be an accommodation to Hayden Stone for the Dallas Bank to participate in the Private Placement.

A. 207 Deny the matters set forth in Requests 207 and 208, except admit that "within a day or two following" Tinsley's call to Mr. Gray and Mr. Gray's meeting with Mr. Jaynes, Mr. Tinsley "returned to Dallas" and "came to ... [Mr. Gray's] office and inquired . . . as to what disposition had been made of the Topper matter". Initially, Mr. Gray together with Mr. Jaynes "outlined" to Mr. Tinsley why the Dallas Bank "had rejected, up to that point, the investment" (*Gray Dep.* at 34-35). During that same meeting, but subsequent to that discussion with regard to the merits of the proposed investment, and very likely after Mr. Jaynes had left the room, Mr. Gray and Mr. Tinsley "rationalized together" and "it was summarized that the recommendation had been made to us by Bernstein-Macaulay, who was designated as the investment counsel for a fee for this fund; that, indeed, the substantial portion of the debentures were going to be purchased by the U.S. Steel Pension Fund ... and ... some insurance company on the East Coast and that ... [the Dallas Bank's] part of it, $250,000, relative to the five million, was not all that consequential; and that it would be an accommodation to Hayden Stone for [the Dallas Bank] to do it" (*id.* at 35-36). However, at that meeting Mr. Gray "concluded" that "since Hayden Stone or Bernstein-Macaulay was going to be calling the shots in a way that might not meet with ... [the Dallas Bank's] approval", that the Bank "would be better off abandoning both the authority and the responsibility for making investments in this Fund ... [and] would proceed immediately with the mechanics" so that the Bank "could abdicate ... investment responsibility and simply be a custodial agent" (*id.* at 36). It was "on that basis" that Mr. Gray agreed with Mr. Tinsley that the decision would be reversed and that he "would instruct Marvin Jaynes to make the investment" (*id.* at 36).

Q. 208. At the meeting Gray concluded, among other things, that since Hayden Stone or Bernstein-Macaulay was going to be calling the shots in a way that might not meet with the Dallas Bank's approval, that the Bank would be better off abandoning both the authority and the responsibility for making investments in this Fund and would proceed immediately with the mechanics so that the Bank could abdicate investment responsibility and simply be a custodial agent. It was on that basis that Gray agreed with Tinsley that the decision would be reversed and that he would instruct Marvin Jaynes to make the investment.

A. 208. Admit the matters set forth in Request 208.

Q. 209. Gray then instructed Jaynes to purchase $250,000 of Topper debentures in the Private Placement. Thereafter, on or about September 27, 1971, Jaynes called Ledbetter and told him that the Dallas Bank would buy $250,000 of Topper debentures in the Private Placement.

A. 209. Admit the matters set forth in Request 209.

Q. 210. Jaynes considered the Topper Private Placement speculative in nature and an inappropriate investment for the Dallas Bank to make on behalf of the Omega-Alpha Pool Trust.

A. 210. Admit the matters set forth in request 210.

Q. 211. Initially, Gray was opposed to participation in the Private Placement because he considered it an unsound investment and subject to the criticism of national bank examiners.

A. 211. Deny the matters set forth in Request 211, except admit that Mr. Gray initially "concurred with" Mr. Jaynes judgment that the Topper Private Placement was an inappropriate investment for the Dallas Bank to make on behalf of the Omega-Alpha Pool Trust and that Mr. Gray subsequently changed his view for the reasons set forth in response to Requests 207 and 208.

Q. 212. Prior to the Private Placement, the Dallas Bank received the Private Placement Memorandum, which stated that Topper proposed to use the proceeds thereof to pay down Topper's secured bank loans.

A. 212. Deny the matters set forth in Request 212, except admit that prior to the Private Placement the Dallas Bank knew that the Hayden Stone Private Placement Memorandum stated that Topper proposed "to use the net proceeds of this placement to reduce its bank indebtedness," which would enable Topper "to reduce the effective interest cost on its loans" (PX 462 at 5).

Connell Plaintiff's.

Q. 213. The only information which any representative of the Local 816 Labor and Management Pension Trust Fund ("Local 816 Fund"), including the Connell plaintiffs, knew concerning Topper prior to the Private Placement was contained in a September 22, 1971 letter from Peter L. Bernstein of Hayden Stone to Saul Solomon. No such representative had any communication with any person other than Peter Bernstein concerning Topper prior to the Private Placement.

A. 213. Plaintiffs have made reasonable inquiry and information known and readily obtainable by it is insufficient for plaintiff to admit or deny Request 213.

Ford Motor Credit.

Q. 214. In the course of negotiating the Ford Amendment Agreement, the Financing Agreement was amended to limit the "borrowing base" of accounts receivable eligible for advances to Topper under the lending formula, as follows: (1) that accounts receivable representing merchandise sold and actually delivered on terms of 120 days or more be ineligible for advances; (2) that accounts receivable representing merchandise sold under "Bill & Hold" arrangements be eligible only to the extent of 50% of cost, up to an absolute limit of $1 million; and (3) that accounts receivable representing merchandise sold for which Topper had granted an extension of time for payment from the original invoice payment date ("redated" receivables) be eligible for advances only to the extent of 50% of the face amount thereof.

A. 214. Deny the matters set forth in Request 214, except admit that in the course of negotiating the Ford Amendment Agreement, the Finance Agreement was amended (HSX Ramseur 18) to limit the "borrowing base" of accounts receivable eligible for advances to Topper under the lending formula by providing, among other things: (1) that accounts receivable representing merchandise sold and actually delivered on terms of sale 120 days or more be ineligible for advances; (2) that accounts receivable representing merchandise sold under "Bill & Hold" arrangements would be eligible only if the terms of sale did not exceed 180 days and such eligibility would be only to the extent of 50% of cost, up to an absolute limit of $1 million; and (3) that accounts receivable representing merchandise sold for which Topper had granted an extension of time for payment from the original invoice payment date ("redated" receivables) would be eligible for advances only if such extension did not exceed 180 days from the original invoice payment date and such liability would be only to the extent of 50% of the face amount thereof, up to an absolute limit of $1 million.

Q. 215. Among other reasons, Ford Motor Credit proposed and ultimately made its $7 million loan to Topper for the reasons as well as the analysis set forth in a June 28, 1971 and July 7, 1971 Ford Motor Credit memorandum (HSX Ford 4 and 7).

A. 215. Admit the matters set forth in Response 215.

Q. 216. Based upon its preliminary evaluation of Topper, Ford Motor Credit would not have considered making an unsecured loan to Topper at the time that Ford Motor Credit issued Topper its letter of intent.

A. 216. Plaintiffs have made reasonable inquiries and information known or readily obtainable by them is insufficient to enable plaintiffs to admit or deny Request 216, except admit that it was Ford Motor Credit's policy to make only secured loans.

Q. 217. Based upon its credit evaluation of Topper, Ford Motor Credit would not have considered making an unsecured loan to Topper at the time that Ford Motor Credit issued Topper its commitment letter or at the time of the closing of the Ford Motor Credit loan to Topper.

A. 217. Plaintiffs have made reasonable inquiries and information known or readily obtainable by them is insufficient to enable plaintiffs to admit or deny Request 217, except admit that it was Ford Motor Credit's policy to make only secured loans.

Q. 218. On or about June 19, 1971, Ford Motor Credit received from Topper a copy of its May, 1971 Aging Report which was a computer print-out showing, among other things, the accounts receivable for each Topper customer, by invoice number, which were "CURRENT"; "30 DAYS", "60 DAYS", and "90 DAYS" past due; and "OTHER".

A. 218. Deny the matters set forth in Request 218, except admit that on or about June 19, 1971, Ford Motor Credit received from Topper a copy of its Accounts Receivable Detail Trial Balance of May 31, 1971, which was a computer run showing, among other things, the amount of each outstanding accounts receivable for each Topper customer, by invoice number, categorized under columns entitled "Current", "30 Days", "60 Days", "90 Days", and "Other".

Q. 219. Prior to the closing of the Ford Motor Credit loan to Topper, Pompea saw an analysis of Topper's accounts receivable as of August 31, 1971 which indicated, among other things, that receivables eligible for advances under the Finance Agreement amounted to $17,650,000.

A. 219. Plaintiffs have made reasonable inquiries and information known or readily obtainable by them is insufficient to enable plaintiffs to admit or deny what "Pompea knew" prior to September 16, 1971, except plaintiffs admit that in connection with determining the "borrowing base" as of August 31, 1971, an analysis was prepared by a party other than Ford Motor Credit which indicated, among other things, that receivables eligible for advances to Topper amounted to $17,650,000.

Q. 219A. The total accounts receivable reported by Topper on the analysis seen by Pompea for August 31, 1971 was $35,450,000.

A. 219A. Deny the matters set forth in Request 219A.

Q. 220. Ford Motor Credit did not receive any investment advice from Citibank in connection with its loan to Topper.

A. 220. Deny the matters set forth in Request 220, except admit that Ford Motor Credit was not a party to an agreement which provided for the payment of money to Citibank in return for the rendering of investment advice by Citibank.

Q. 221. On November 29, 1971, Ford Motor Credit received from Topper a "reconciliation" of the September, 1971 Aging Report, which reconciled Topper's August, 1971 Aging Report with data reflected in Topper's September, 1971 loan status reports. Together with the reconciliation, Ford Motor Credit received a schedule reflecting by category the total eligible and ineligible accounts receivable shown on Topper's August, 1971 Aging Report.

A. 221. Admit the matters set forth in Request 221.

Q. 222. The idea for all Topper financings prior to the Private Placement originated with Topper, and no representative of Citibank took part in the preparation or review of any documents or in any negotiations relating to any of Topper's five separate private placements of securities or two public offerings of common stock prior to the Private Placement.

A. 222. Deny the matters set forth in Request 222.

Q. 223. The idea for the Private Placement originated with Topper, and no representative of Citibank took part in Topper's decision to enter into the Private Placement or in any negotiations relating to the Private Placement or took any part in the preparation of, or saw or reviewed, the Private Placement Memorandum prior to the Private Placement.

A. 223. Deny the matters set forth in Request 223.

Q. 224. Prior to the Private Placement, no representative of Citibank saw or reviewed any part of the Private Placement Purchase Agreement except the subordination provisions. Topper attempted to keep Citibank unaware of the details of the Private Placement and had its lawyers send Citibank only the subordination provisions.

A. 224. Deny the matters set forth in Request 224.

Q. 225. Topper consulted Hayden Stone about every financing of Topper from 1969 through 1971 before any representative of Citibank was informed of such financing.

A. 225. Plaintiffs have made reasonable inquiries and information known or readily obtainable by them is insufficient to enable plaintiffs to admit or deny Request 225.

Q. 226. Waldman first became aware in February 1971 that Topper planned a public offering of stock during 1971.

A. 226. Plaintiffs have made reasonable inquiries and information known or readily obtainable by them is insufficient to enable plaintiffs to admit or deny Request 226.

Q. 227. Prior to 1972, when the Lending Banks began collecting Topper receivables directly, no representative of Citibank discussed the business affairs or policies of Topper with any customer of Topper.

A. 227. Plaintiffs have made reasonable inquiries and information known or readily obtainable by them is insufficient to enable plaintiffs to admit or deny Request 227.

Q. 228. Neither Citibank nor any other Lending Bank ever reduced or modified the amount of advances permissible under the Finance Agreement because of Topper's failures to meet projections.

A. 228. Deny the matters set forth in Request 228.

Q. 229. No representative of Citibank knew about any negotiations as to the Ford Motor Credit loan to Topper until June 8, 1971, more than a month after Ford Motor Credit's first contact with Topper.

A. 229. Plaintiffs have made reasonable inquiries and information known or readily obtainable by them is insufficient to enable plaintiffs to admit or deny Request 229, except plaintiffs admit that on or about June 8, 1971, Topper advised Citibank that it was negotiating for a loan from Ford Motor Credit.

Q. 230. No representative from Citibank took part in Topper's decision to borrow money from Ford Motor Credit.

A. 230. Deny the matters set forth in Request 230.

Q. 231. Waldman expressed his disappointment to Topper officials when he heard about Ford Motor Credit's commitment to loan $7 million to Topper.

A. 231. Deny the matters set forth in Request 231, except admit that Citibank informed Topper that it was "not happy" with the proposed Ford Motor Credit Loan because "this was the first instance where [Citibank] collateral was being affected" (Rose Dep. at 563).

Q. 232. As early as May, 1971, officers of Topper considered eliminating Topper's secured loans with the Lending Banks.

A. 232. Plaintiffs have made reasonable inquiries and information known or readily obtainable by them is insufficient to enable plaintiffs to admit or deny Request 232, except admit that as early as 1967 Topper hoped someday to "go unsecured."

Q. 233. Those officers of Topper who considered eliminating their secured loans with the Lending Banks wished not to disclose such considerations to Citibank.

A. 233. Deny the matters set forth in Request 233, except admit that Topper "certainly made it a point not to inform [Citibank] of the initial work that was being done" on the proposed Ford Motor Credit loan to Topper "[s]imply because of [Topper's] previous poor experience with the First National City Bank factoring group and because [Topper] felt it would be best to bring them in at a point when we would be close to reaching some kind of arrangement" (Rose Dep. at 579).

Q. 233A. Topper made it a point not to inform Citibank of the initial work that was being done on the proposed Ford Motor Credit loan to Topper because Topper felt it would be best to bring Citibank in at a point when Topper and Ford Motor Credit would be close to reaching some kind of arrangement, in case Citibank should react by deciding to cancel the loans to Topper under the Finance Agreement.

A. 233A. See response to Request 233.

Q. 234. Under the Financing Agreement, any advances made by the Lending Banks had to be repaid upon the demand of the Lending Banks whether or not the Ford Motor Credit loan or the Private Placement took place.

A. 234. Deny the matters set forth in Request 234, except admit that the terms of repayment for advances made by the lending banks to Topper is as set forth in the Finance Agreement between Topper and Citibank.

Q. 235. The decision as to which Topper accounts were eligible or ineligible for advances was under the Finance Agreement solely at the discretion of the Lending Banks.

A. 235. Deny the matters set forth in Request 235, except admit that the decision as to which Topper accounts receivable were eligible or ineligible for advances under the Finance Agreement was made "solely at the discretion of" Citibank.

Q. 235A. Any decision as to which Topper accounts were eligible or ineligible for advances did not affect the value of the total collateral which the Lending Banks had as security for their advances to Topper.

A. 235A. Plaintiffs object to Request 235A on the grounds that it is vague and ambiguous.

Q. 236. Henson Associates, on behalf of Citibank, sent requests for confirmations to Topper customers.

A. 236. Plaintiffs have made reasonable inquiries and information known or readily obtainable by them is insufficient to enable plaintiffs to admit or deny Request 236, except plaintiffs admit that, from time to time, Henson Associates requested that certain Topper customers "assist us in verification of the accounts" (PX 706) and that the printed form requesting such verification stated that the balance listed thereon was "correct, open and owing by us; and not subject to offset by notes, claims, contras or other credits, not subject to guaranteed sale, consignment nor pay upon reorder arrangements" (id.).

Q. 236A. Each Henson Associates confirmation requested the customer to confirm the balance of its account with Topper and to indicate, among other things, if the account was subject to guaranteed sale, consignment or pay upon reorder arrangements.

A. 236A. See response to Request 236.

Q. 237. No Henson Associates confirmation returned to Citibank by any customer of Topper stated that there was any return or consigned or guaranteed sale in connection with that customer's indebtedness to Topper.

A. 237. Plaintiffs have made reasonable inquiries and information known or readily obtainable by them is insufficient to enable plaintiffs to admit or deny Request 237.

Q. 238. The Topper unaudited financial statements for the period ending July 31, 1971 were mailed to Citibank postmarked September 24, 1971.

A. 238. Admit the matters set forth in Request 238.

Q. 239. No representative of Citibank had any contact with any representative of Hayden Stone, Bernstein-Macaulay, or Arthur Young relative to Topper from July to September 28, 1971.

A. 239. Plaintiffs have made reasonable inquiries and information known or readily obtainable by them is insufficient to enable plaintiffs to admit or deny Request 239.

Q. 240. Topper was not obligated under the Finance Agreement to pay to Citibank the proceeds of the public offering, Ford Motor Credit loan or the Private Placement. Topper did so in order to reduce the payment of interest at high rates.

A. 240. Deny the matters set forth in Request 240.

Q. 241. From 1969 through 1971, the Factoring and Commercial Finance Department of Citibank was in the Commercial Banking Group of Citibank. The Department administered an average of 65 separate secured loan accounts at any one time during 1971.

A. 241. Plaintiffs have made reasonable inquiries and information known or readily obtainable by them is insufficient to enable plaintiffs to admit or deny Request 241.

Q. 242. The Finance Agreement at all times contained the following warranty to the Lending Banks by Topper:

> "(1) That each Receivable assigned hereunder for the purpose of the advance of funds . . . will be free and clear and will cover a bona fide sale and delivery of merchandise usually dealt in by it . . . ."

A. 242. Admit the matters set forth in Request 242.

Q. 243. Prior to the Private Placement no representative of Citibank had any knowledge that Topper had, during the period from 1968 through the Private Placement, extended to any of its customers, at the time of sale, the right to return or exchange any Topper merchandise.

A. 243. Plaintiffs have made reasonable inquiries and information known or readily obtainable by them is insufficient to enable plaintiffs to admit or deny Request 243.

Q. 244. All of Topper's accounts receivable, eligible or ineligible, were assigned to Citibank under the Finance Agreement.

A. 244. Admit the matters set forth in Request 244.

Q. 245. As shown on Topper's monthly unaudited financial statements for the first nine months of 1971, during such period the Lending Banks and after September 17, 1971 the Lending Banks and Ford Motor Credit, had as security for such advances collateral as follows:

1971	Accounts Receivable	Inventory	Fixed Assets	Cash Collateral
January	19,991,958.67	5,686,204.03	7,605,775.71	4,500,000
February	19,379,219.67	7,017,538.83	7,693,187.15	4,500 000
March	22,080,644.70	7,544,005.69	7,483,667.72	3,000,000
April	21,903,248.20	8,172,956.45	7,423,381.66	2,500,000
May	23,250,274.31	9,304,429.95	7,388,498.82	1,500,000
June	29,077,289.81	8,540,072.12	7,052,484.76	1,750,000
July	29,411,402.37	10,598,681.13	6,681,091.96	1,750,000
August	30,321,326.07	11,497,201.40	6,186,173.33	1,750,000
September	36,184,275.74	10,878,229.20	6,259,011.10	1,250,000

A. 245. Plaintiff objects to Request 245 as ambiguous, but otherwise adopts its Response 245 contained in the Initial* Response. 245.* Deny the matters set forth in Request 245, except admit that Topper's unaudited financial statements for the first nine months of 1971 showed, as of the end of each month, the amount of accounts receivable, inventory, and fixed assets as set forth in the columns bearing those descriptions in Request 245, and anote to such unaudited monthly financials showed the amount of the compensating "cash collateral" balance maintained.

Q. 245A. Total Topper bank borrowings as of the end of the month for the first nine months of 1971, compared with total collateral securing such borrowings, was as follows:

1971	Bank Borrowings of Topper	Total Collateral	Excess Collateral
January	15,281,622.83	37,783,938.41	22,502,315.58
February	18,218,335.54	38,589,945.65	20,371,610.11
March	16,828,754.09	40,108,318.08	23,279,564.02
April	17,178,877.79	39,999,586.31	22,820,708.52
May	14,280,174.97	41,443,203.08	27,163,028.11
June	18,551,714	46,420,054.69	27,868,340.69
July	19,867,467	48,441,175.46	28,573,708.46
August	20,713,978	49,754,700.80	29,040,722.80
September	15,712,794	54,571,516.04	38,858,722.04

A. 245A. Plaintiffs have made reasonable inquiries and information known or readily obtainable by plaintiffs is insufficient to enable them to admit or deny Request 245A.

Q. 246. Topper's projections were reviewed by Citibank representatives on occasion for the purpose of estimating potential exposure of the Lending Banks and Topper's future borrowing requirements, together with the peak periods of borrowing and the applicable collateral.

A. 246. Deny the matters set forth in Request 246, except admit that each year Citibank required Topper to "submit projections as to what their cash needs would be and when they would need it and what collateral wou[illegible]nerated to secure it" (Holzman Dep. at 28-29). The "projections submitted were an indication on a monthly basis of what the company's borrowing needs would be" (Lusk Dep. at 26), and gave Citibank "some idea of what ... was expected to happen during the coming year" (Waldman Dep. at 45-46). As each year progressed Citibank "matched" the projections against actual performance: somebody "would see how well they [were] keeping to their original projection" (id.) and "substantial compliance with [said projection]" (PX 529) was required of Topper by Citibank; if it failed to meet projections, Citibank had the option to "[t]ell them to find another source" (Waldman Dep. at 95).

Q. 247. As of May 7, 1973, the date Topper was declared a bankrupt, the Lending Banks and Ford had outstanding loans to Topper in the amount of $11,930,936.66. Of this amount, Citibank's share was $3,151,670.67, all of which Citibank has written off as uncollectible.

A. 247. Plaintiffs have made reasonable inquiries and information known or readily obtainable by them is insufficient to enable plaintiffs to admit or deny Request 247.

Q. 248. The Pension Fund had a custodian agreement with Morgan Guaranty that provided for the same services as did the Custodian Agreement.

A. 248. Plaintiffs deny the matters set forth in Request 248, except admit that the Pension Fund is a party to an agreement with J. P. Morgan & Co., Inc., bearing the date November 30, 1950, a true and complete copy of which is in the possession of Citibank and denominated by Citibank as CBX 56.

Q. 249. There was an amendment to the Pension Fund's custodian agreement with Morgan Guaranty in April 3, 1959 which was identical to the amendment of the Custodian Agreement.

A. 249. Deny the matters set forth in Request 249, except admit that the Pension Fund is a party to an amendment to the Agreement (specified in Request 248) with J.P. Morgan & Co., Inc., bearing the date April 3, 1959, a true and complete copy of which is in the possession of Citibank and denominated by Citibank as CBX 57.

Q. 250. The funds for the Pension Fund's purchase of the Topper Notes came from the Pension Fund's Custodian Account at Morgan Guaranty.

A. 250. Deny the matters set forth in Request 250, except that plaintiffs admit that the Pension Fund purchased $3,000,000 of Notes of Topper, by check dated September 29, 1971, a true and complete copy of which has been furnished Citibank.

Q. 251. Prior to the Private Placement, representatives from Citibank met with representatives of the Pension Fund at Quarterly Economic and Investment Policy Reviews. Aside from Mr. Jeffers, who acted as liaison between Citibank and U.S. Steel and its subsidiaries and affiliates, representatives of Citibank at such reviews included Messrs. Pescatilli, Miller, Howkins, Olsen, Ahrens, Lingua and Bailey, all of whom were employed as economists by Citibank or were employed in the Investment Management Group of Citibank.

A. 251. Plaintiffs have made reasonable inquiries and information known or readily obtainable by them is insufficient to enable plaintiffs to admit or deny the matters set forth in Request 251, except plaintiffs admit that, prior to the Private Placement, representatives from Citibank met with representatives of the Pension Fund at Quarterly Economic and Investment Policy Reviews. Aside from Mr. Jeffers, who acted as liaison between Citibank and U. S. Steel and the Pension Fund, representatives of Citibank at such reviews included Messrs. Pescatello, Miller, Howkins, Olsen, Ahrens, Lingua and Bailey. In addition to such Investment Policy Reviews, from time to time as requested by the Pension Fund, Citibank rendered investment advice in connection with proposed investments by the Pension Fund.

Q. 252. The last Quarterly Economic and Investment Policy Review prior to the Private Placement between representatives of the Pension Fund and Citibank was on June 30, 1971.

A. 252. Plaintiffs have made reasonable inquiries and information known or readily obtainable by them is insufficient to enable plaintiffs to admit or deny matters set forth in Request 252.

Q. 253. Prior to the Private Placement, no representative of the Pension Fund ever discussed the financial situation of Topper with any Citibank representative who had previously attended any of the Quarterly Economic and

Investment Policy Review between the Pension Fund and Citibank.

A. 253. Deny the matters set forth in Request 253.

Q. 254. The Pension Fund's securities portfolios in the custody of Citibank during August of 1971 contained in part marketable securities, the value of which fluctuated from time to time during that month, as well as during each day thereof, but which at all times during August of 1971 exceeded $1 billion.

A. 254. Admit the matters set forth in Request 254.

Q. 255. Waldman did not know of the existence of the Custodian Agreement before 1972.

A. 255. Plaintiffs have made reasonable inquiries and information known or readily obtainable by them is insufficient to enable plaintiffs to admit or deny matters set forth in Request 255.

Q. 256. Pursuant to the Custodian Agreement, Citibank registered securities, collected and credited income with respect to the securities held in the custodian account, handled the redemption and delivery of securities and credited the proceeds thereof, exchanged temporary for permanent securities and performed other services with respect to the securities held in the custodian account.

A. 256. Deny the matters set forth in Request 256, except admit that Citibank performed various of the services specified in its Agreement, as amended from time to time, with the Pension Fund.

Q. 257. Citibank's activities under the Custodian Agreement with the Pension Fund related to a Pension Fund Retirement Plan with over $1 billion of assets, and a Pension Fund Savings Plan with over $100 million in assets. These two accounts involved approximately 1,000 security transactions per year, and there were held a total of slightly more than 300 separate security issues. Most all security transactions were made against money in the accounts. All transactions, as well as interest and dividends collected, were posted to a commercial demand deposit account rather than a trust books account. Accordingly, a separate advice on each cash entry was generated and delivered by hand to the Pension Fund's office. This was not normal procedure and did not always work effectively, resulting in requests for duplicate advices and investigations. All redemptions, called bonds, exchanges, mergers, conversions and stock splits were handled in the usual custodial fashion. Citibank also from time to time represented the Pension Fund at closings. This typically involved an officer of Citibank spending several hours delivering a check and executing documentation relative to the investment at a non-Citibank location. Citibank held private placements for the Pension Fund which typically involved additional processing due to the periodic pay-downs of principal. All proxies were executed and forwarded to the Pension Fund.

A. 257. Plaintiffs have made reasonable inquiries and information known or readily obtainable by them is insufficient to enable plaintiffs to admit or deny matters set forth in Request 257, except admit that from time to time during the life of the Pension Fund's Agreement with Citibank, the Pension Fund had "over $1 billion of assets"; and that numerous securities transactions were effected for the benefit of the Pension Fund by various persons as directed by the Pension Fund, during the term of the Pension Fund's Agreement, as amended, with Citibank; and that, from time to time during the term of said Agreement, as amended, Citibank performed various functions in connection with "closings" in which the Pension Fund had an interest.

Q. 258. On or about August 25, 1971, Henry Thompson of the Pension Fund telephoned Walter Jeffers of the Metals and Mining Department in the Corporate Banking Group of Citibank, to request information about Topper. Jeffers stated he knew nothing about Topper. Thompson told Jeffers that the Topper loan account was in the secured part of the bank so that Jeffers would know whom to contact concerning Topper. In response to Jeffers' request, Waldman called Thompson on August 27, 1971.

A. 258. Deny the matters set forth in Request 258, except admit that on or about August 25, 1971, Mr. Henry Thompson of the Pension Fund telephoned Mr. Walter Jeffers, the Citibank officer responsible for the account of the Pension Fund and "indicated that the U.S. Steel Pension Fund was considering making an unsecured investment in a private placement of Topper convertible bonds" (Thompson Dep. at 9). Mr. Thompson asked Mr. Jeffers "for whatever information the bank had that would be helpful in evaluating this private placement" (id. at 10). "Mr. Jeffers indicated that he personally did not know of Topper. He asked [Mr. Thompson for his] telephone number, and he indicated that someone would get back to [Mr. Thompson]" (id.). On or about August 27, 1971, Mr. Edward Waldman, the Citibank Vice President responsible for the Topper account, telephoned Mr. Thompson and "indicated that he was responding to Mr. Jeffers' request" (id. at 11).

Q. 259. Downs, who had previously been an officer of Manufacturer's Hanover, had had discussions with Manufacturers Hanover concerning taking up the slack if Citibank got wind of Topper's plans to go unsecured and dropped out of the financing group.

A. 259. Plaintiffs have made reasonable inquiries and information known or readily obtainable by them is insufficient to enable plaintiffs to admit or deny Request 259, except plaintiffs admit that prior to June 28, 1971, Mr. Downs of Topper and Mr. Pompea of Ford Motor Credit had "a fairly brief meeting, perhaps no longer than an hour" (Pompea Dep. at 65) with officers of Manufacturers Hanover, including Donald Baker, a Senior Vice President at Manufacturers Hanover. The "thrust of the meeting. . . was the notion that Manufacturers, which was just starting up on accounts receivable financing operations, might take on the Topper account as its first secured receivable loan in this new department" (id.). "[T]he people at Topper were frustrated by the detailed reporting requirements demanded by Citibank and were anxious to develop a more fluid relationship where Dave Downs obviously had prior personal contact with banking people involved" (id. at 66). "It subsequently became apparent that Manufacturers had no interest in proceeding along the lines suggested by Mr. Downs" (id. at 67).

Q. 260. Before Topper told Citibank of prospective offerings of stock or debentures, Topper officials had decided how much funds they wanted to seek and whether the offering would be public or private.

A. 260. Plaintiffs have made reasonable inquiries and information known or readily obtainable by them is insufficient to enable plaintiffs to admit or deny Request 260, except plaintiffs admit that "Roger Berlind, Sandy Weill and Ed Waldman" were consulted by Mr. Orenstein of Topper "in determining whether to seek a public or private financing" (Rose Dep. at 532) and that the "attitude on the part of Mr. Waldman . . . was, with respect to additional financing, to bring in whatever [Topper] could which was subordinate to his loan" (id. at 536). And for at least one financing, the September 25, 1971 Private Placement, Topper "talked about" the "amount of money which would be sought" in that financing "with the underwriters...with the directors... with the bank" as well as with its lawyers (Orenstein Dep. at 431-32).

Q. 261. Topper never considered using the proceeds of an offering to pay operating expenses. Prior to each offering, Topper would tell Citibank the approximate amount it would be receiving and that this amount would be used to pay down the loan from the Lending Banks.

A. 261. Deny the matters set forth in Request 261, except admit that prior to each offering, Topper would tell Citibank the approximate amount of funds it would receive from that financing and that Topper never considered using the proceeds of an offering to pay operating expenses, but turned the funds over to Citibank because "that was [its] arrangement with the banks" (Orenstein Dep. at 400) -- Topper was "on a sort of total controlled basis. [It] never got any money. [Citibank] got all the money. Even from customers [Topper] never got the money" (id.).

Q. 262. Fred Pierce had no contact with Citibank prior to the Private Placement.

A. 262. Admit the matters set forth in Request 262.

Q. 263. Topper prepared its monthly Aging Reports in the ordinary course of business for its own purposes and would have prepared them whether or not Citibank ever requested or received them.

A. 263. Plaintiffs have made reasonable inquiries and information known or readily obtainable by them is insufficient to admit or deny Request 263, except admit that under the Finance Agreement Topper was obliged to "furnish" Citibank "with monthly agings of its accounts receivable certified by a financial officer" (PX 506 at 27).

Q. 264. Topper from time to time prepared projections of its cash flow/cash requirements in the ordinary course of business for its own purposes and would have prepared them whether or not Citibank ever requested or received them.

Q. 265. Topper from time to time prepared projections of its sales in the ordinary course of business for its own purposes and would have prepared them whether or not Citibank ever requested or received them.

A. 264 and 265. Plaintiffs have made reasonable inquiries and information known or readily obtainable by them is insufficient to admit or deny Requests 264 and 265, except admit that as a condition to advancing funds to Topper under the Finance Agreement, Citibank required "substantial compliance with said projection of operations, from month to month" (PX 529 at 1), which were submitted by Topper to Citibank at the beginning of each year.

Q. 266. Topper prepared its daily loan status reports and maintained and updated loan status worksheets on a daily basis in the ordinary course of business for its own purposes and would have prepared them whether or not Citibank ever requested or received them.

A. 266. Plaintiffs have made reasonable inquiries and information known or readily obtainable by them is insufficient to admit or deny Request 266, except admit that the "basic reason why a detailed -- a laboriously detailed -- loan status report was prepared and sent to the bank every day was so that [Topper] could make sure [that it] minimized the errors which were continually happening at the bank level" (Rose Dep. at 512-13).

Q. 267. One reason that Topper sold debentures in the Private Placement was to replace its secured bank loans with unsecured financing.

A. 267. Deny the matters set forth in Request 267.

Q. 268. One reason that Topper sold debentures in the Private Placement was to obtain lower interest cost financing than it was paying on its bank loans under the Finance Agreement.

A. 268. Deny the matters set forth in Request 268, except admit that Topper sold debentures in the Private Placement as "a result of the company needing additional money" (Orenstein Dep. at 400), and that Topper paid a lower rate of interest under the terms of the Private Placement than it did under the Finance Agreement; the reason for the lower rate of interest under the Private Placement was the fact that the purchasers, in addition to receiving interest on their notes, had the right to convert their notes into Topper common stock in the future.

[269-418 re Authenticity of Documents
Omitted]

HAYDEN-STONE REQUESTS TO ADMIT TO U.S. STEEL

I. White & Case's Role and Knowledge

A. Background of White & Case and Its Attorneys

Q. 1. At all times from at least 1959 through the present White & Case was a firm of attorneys with offices at 14 Wall Street New York, New York.

A. 1. Admit the matters set forth in Request 2

Q. 2. During 1971 White & Case had approximately 60 partners and 120 associate attorneys.

A. 2. Admit the matters set forth in Request 2.

Q. 3. At all times from late 1966 through at least the end of 1971 White & Case acted as outside general counsel for Topper. During the three years ended December 31, 1970 White & Case received legal fees from Topper aggregating $189,625.

A. 3. Plaintiffs have made reasonable inquiries and information known or readily obtainable by plaintiffs is insufficient to enable them to admit or deny Request 3, except plaintiffs admit that from late 1966 through at least the end of 1971 various attorneys at White & Case, under the general supervision of Joseph Hinsey, and no one of whom acted for the purchasers in connection with the Private Placement, rendered legal services to Topper. During the three years ended December 31, 1970 White & Case received legal fees from Topper aggregating $189,625.

Q. 4. At all times from July 1, 1965 through the present, Joseph Hinsey ("Hinsey") has been a partner of White & Case and from September 1957 through July 1, 1965 Hinsey was an attorney associated with White & Case. Hinsey joined White & Case after receiving a Masters degree from Harvard Business School. At White & Case, Hinsey has specialized in corporate and securities law. On various occasions, Hinsey has rendered advice to issuers in connection with public offerings of securities and has participated in the preparation of prospectuses and other appropriate documents relating thereto. On various occasions, Hinsey has rendered advice to issuers in connection with the private placement of debt and equity securities and has worked on the preparation of documentation required in such transactions. During 1970 and 1971, Hinsey was familiar with the rules, under federal and state law, governing disclosure of material information in connection with the issuance of securities in public offerings and private placements.

A. 4. Admit the matters set forth in the first five sentences of Request 4; but plaintiffs have made reasonable inquiries and information known or readily obtainable by plaintiffs is insufficient to enable them to admit or deny the matters set forth in the last sentence of said Request, except plaintiffs admit that as of 1975 Hinsey believed himself to be "familiar with the rules respecting disclosure governing the issuance of securities" in both public offerings and private placements (Hinsey Dep. at 8).

Q. 5. From 1966 until at least the end of 1971 Hinsey was the partner at White & Case with overall responsibility for legal work performed by White & Case for Topper. From late 1966 through January 1970 Hinsey was a director of Topper.

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A. 5. Admit the matters set forth in Request 5.

Q. 6. From 1966 through at least December 31, 1971, Glover Johnson ("Johnson") was a senior partner in the corporate department of White & Case and a director and shareholder of Topper. Johnson was one of the original investors in Topper in 1966. Johnson's original investment was approximately $180,000. During 1971, Johnson was a member of the stock option committee of the board of directors of Topper. Johnson died in October, 1973.

A. 6. Admit the matters set forth in Request 6.

Q. 7. At all times from 1966 through the present, Clyde A. Mitchell was a partner of White & Case who from time to time worked on Topper matters.

A. 7. Admit the matters set forth in Request 7.

Q. 8. At all times from the Fall of 1966 through June 30, 1974, John Provine ("Provine") was an associate at White & Case. Provine became a partner of White & Case on July 1, 1974. At White & Case, Provine has specialized in corporate law. As an attorney at White & Case, he has had occasion to represent issuers and underwriters in connection with public offerings and lenders and borrowers in connection with the private placement of both debt and equity securities. During 1971, Provine was familiar with the rules, under federal and state law, governing disclosure of material information in connection with the isuance of securities in public offerings and private placements. From March 1, 1971 through at least the end of 1971, Provine was the principal associate at White & Case assigned to Topper matters.

A. 8. Admit the matters set forth in the first four and the sixth sentences of Request 8; but plaintiffs have made reasonable inquiries and information known or readily obtainable by plaintiffs is insufficient to enable them to admit or deny the matters set forth in the fifth sentence thereof, except plaintiffs admit that by 1975 Provine believed that he had become "familiar with the rules respecting disclosure of material information as they might apply to various kinds of transactions" (Provine Dep. at 7).

Q. 9. During 1968, Provine performed certain legal services for G.H. Walker & Co., in connection with it acting as lead underwriter for a public offering of the securities of Hasbro Industries, Inc. ("Hasbro"). At that time, Hasbro was one of the ten largest toy manufacturers in the United States. Sometime subsequent to this Hasbro offering, Provine also worked on the proposed public offering of another toy company, American Wholesale Toy, on behalf of G.H. Walker & Co., which was never completed.

A. 9. Admit the matters set forth in Request 9.

Q. 10. On various occasions from January 1, 1972 to the present Provine performed legal services for the Pension Fund.

A. 10. Deny the matters set forth in Request 10, except admit that, subsequent to January 1, 1972, and "in certain connections" unrelated to the Pension Fund's investment in Topper, Provine performed legal services for the Pension Fund.

Q. 11. At all times during 1970 and 1971 Donald Madden was an associate of White & Case who performed various legal services for Topper.

A. 11. Deny the matters set forth in Request 11, except admit on the basis of interpretation supplied by White & Case that, during 1970 and 1971, Donald Madden was a partner of that firm, who from time to time performed legal services for Topper.

Q. 12. During 1970, Roger Hull was an associate at White & Case who performed various legal services for Topper.

A. 12. Admit the matters set forth in Request 12.

Q. 13. At various times from at least 1966 through the present White & Case has acted as outside general counsel to the Pension Fund and has represented the Pension Fund in connection with all private placements in which the Pension Fund has participated since sometime prior to 1966.

A. 13. Deny the matters set forth in Request 13, except admit that, from time to time since 1950, certain attorneys at White & Case have rendered legal services to the Pension Fund, including representation of the Pension Fund in all private placements in which the Pension Fund has participated as lead investor.

Q. 14. At all times from January 1, 1962 until the present, Thomas M. Ramseur, Jr. ("Ramseur") has been a partner of White & Case. Ramseur has had a close relationship with the Pension Fund since at least 1966 and from that date through September 1971 performed various legal services for the Pension Fund from time to time. Ramseur performed various services for the Pension Fund in connection with the private placement of Topper subordinated notes on September 28, 1971 ("Private Placement").

A. 14. Admit the matters set forth in the first two sentences of Request 14; but deny the matters set forth in the last sentence thereof, except admit that Ramseur, who had never rendered legal services to Topper, was the partner at White & Case responsible for representing all purchasers of Topper subordinated notes, including the Pension Fund, in connection with the Private Placement on September 28, 1971 ("Private Placement").

Q. 15. At all times from January 1964 through the present, John McNally ("McNally") has been a partner of White & Case. From at least 1966 through September 1971, McNally performed various legal services for the Pension Fund.

A. 15. Admit the matters set forth in Request 15.

Q. 16. During September 1971, Christopher Doyle was an associate of White & Case who performed legal services for the Pension Fund in connection with the Private Placement.

A. 16. Deny the matters set forth in Request 16, except admit that, during September 1971, Christopher Doyle was an associate of White & Case who had never rendered services to Topper and who, under the supervision of Ramseur, performed certain legal services for the purchasers, including the Pension Fund, in connection with the Private Placement.

Q. 17. During September 1971, Raymond Vickers was an associate of White & Case who performed legal services for the Pension Fund in connection with the Private Placement.

A. 17. Deny the matters set forth in Request 17, except admit that, during September 1971, Raymond Vickers was an associate of White & Case who had never rendered legal services to Topper and who, under the supervision of Ramseur, performed certain legal services for the purchasers, including the Pension Fund, in connection with the Private Placement.

Q. 18. At various times from 1970 and thereafter until the present, White & Case has rendered legal services to Arthur Young & Co. ("Arthur Young").

A. 18. Deny the matters set forth in Request 18, except admit that, at various times from 1970 and thereafter until present, certain attorneys at White & Case have rendered legal services to Arthur Young & Co. ("Arthur Young"), all in connection with matters unrelated to the Private Placement.

B. Attendance at Board Meetings by White & Case Attorneys

Q. 19. Attorneys of White & Case attended meetings of Topper's board of directors during 1970 and 1971 as follows:

January 15, 1970	Glover Johnson
January 27, 1970	Glover Johnson Joseph Hinsey
February 17, 1970	Joseph Hinsey Donald Madden
May 14, 1970	Glover Johnson Joseph Hinsey
June 2, 1970	Glover Johnson Joseph Hinsey
July 28, 1970	Glover Johnson Joseph Hinsey
October 27, 1970	Glover Johnson Joseph Hinsey
January 26, 1971	Donald Madden
March 9, 1971	Joseph Hinsey John Provine
April 27, 1971	Glover Johnson
July 27, 1971	Glover Johnson Joseph Hinsey
September 28, 1971	Glover Johnson Joseph Hinsey
October 26, 1971	Glover Johnson John Provine

December 17, 1971	....	Glover Johnson Joseph Hinsey John Provine
December 20, 1971	....	Joseph Hinsey John Provine
December 27, 1971	....	Glover Johnson Joseph Hinsey John Provine

Of the 18 Board of Directors meetings held during 1970 and 1971, one or more White & Case attorneys were in attendance at all but 2 of such meetings.

A. 19. Deny the matters set forth in Request 19, except admit that:

(a) Glover Johnson, an original investor in Topper and a senior partner in White & Case who rendered no legal services to Topper, according to the minutes of meetings of Topper's board of directors, attended as a director of Topper at least some portion of each of the meetings Request 19 specifies he attended;

(b) Each of the various attorneys of White & Case, again according to the minutes of meetings of Topper's board of directors, attended as counsel for Topper at least some portion of each of the meetings Request 19 specifies he attended; and

(c) Glover Johnson or Joseph Hinsey or John Provine attended at least some portion of 16 out of the 18 meetings referred to in Request 19.

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C. Receipt of Unaudited Financial Statements by White & Case Attorneys

Q. 20. During 1970 and 1971 Topper's unaudited financial statements were generally distributed to Johnson and Hinsey at or about the same time that they were distributed by Topper to its other directors and other persons who generally received such financial statements.

A. 20. Admit the matters set forth in Request 20.

D. Attendance at Toy Fair by White & Case Attorneys

Q. 21. White & Case attorneys attended Toy Fair in 1970 and 1971 at the invitation of Topper.

A. 21. Plaintiffs have made reasonable inquiries and information known or readily obtainable by plaintiffs is insufficient to enable them to admit or deny the matters set forth in Request 21, except plaintiffs admit that:

(a) Hinsey, the partner with general supervisory responsibility for the rendering of legal services by White & Case to Topper, attended Toy Fair, at the invitation of Topper, in one and perhaps both of the years 1970 and 1971; and

(b) Provine, then an associate at White & Case who during 1971 rendered legal services to Topper under the supervision of Hinsey, attended Toy Fair, at the invitation of Topper, in 1971.

E. Time Spent by White & Case on Topper Matters in 1971

Q. 22. During 1971, White & Case attorneys spent at least 1,000 hours in connection with rendering legal services on Topper matters.

A. 22. Deny the matters set forth in Request 22, except admit that, during 1971, various White & Case attorneys, no one of whom represented the Private Placement purchasers, or any one of them, in connection with said purchase, recorded diary entries aggregating at least 1,000 hours in connection with rendering services on Topper matters.

F. Topper's 1970 Public Offering and Facts Known by White & Case Prior to June 3, 1970

Q. 23. During 1970 White & Case represented Topper in connection with the 1970 public offering of its common stock.

A. 23. Deny the matters set forth in Request 23, except admit that during 1970 Hinsey and Madden (neither of whom acted for the purchasers in connection with the Private Placement) rendered legal services to Topper in connection with the 1970 public offering of its common stock.

Q. 24. In connection with that work White & Case participated in the drafting and review of Topper's prospectus, dated June 3, 1970 ("June 3, 1970 Prospectus"), including the drafting and review of the various drafts of that prospectus.

A. 24. Deny the matters set forth in Request 24, except admit that in connection with their work on Topper's 1970 public offering Hinsey and Madden reviewed and suggested revision of certain portions of certain of the drafts of what became the June 3, 1970 ("June 3, 1970 Prospectus").

Q. 25. On or about May 13, 1970, the Securities and Exchange Commission ("SEC") issued a letter of comment on the S-1 Registration Statement filed by Topper in connection with the 1970 public offering. White & Case, along with Topper officers, participated in the drafting of a letter dated May 21, 1970 from Jack J. Rose to the SEC responding to the letter of comment. Prior to the sending of that letter White & Case reviewed it in final form. The letter stated, in part:

> "3. Credits issued or to be issued in 1970 for returns and allowances which apply to 1969 sales amount to approximately $4,310,000. The loss on such returns and allowances was fully provided for in the 1969 financial statements.
>
> 4. The total accounts receivable at March 31, 1970 tabulated by month of original charge are as follows:

August, 1969 and prior	$ 129,137
September, 1969	123,174
October, 1969	334,498
November, 1969	1,309,980
December, 1969	2,088,425
January, 1970	1,263,414
February, 1970	534,697
March, 1970	1,654,336
Miscellaneous	161,935
	$ 7,599,565
Less allowance for doubtful amounts	586,381
	$ 7,013,184

> Included in the period December, 1969 through March, 1970 is approximately $3,200,000 representing a spring, 1970 promotion with May, 1970 payment terms. Included in the period September through December is approximately $1,600,000 covering invoices originally due by January 10, 1970 which were extended, in accordance with the custom and practice generally followed throughout the industry, as an accomodation to customers through October 10, 1970.

A. 25. Admit the first and fourth sentences (including the quotations that follow the fourth sentence), but plaintiffs have made reasonable inquiries and information known or readily obtainable by plaintiffs is insufficient to enable them to admit or deny the matters set forth in the second and third sentences thereof. See Hinsey Dep. at 103-06, 267-70.

Q. 26. Prior to June 3, 1970, White & Case was aware that credits issued or to be issued in 1970 for returns and allowances applying to 1969 sales amounted to approximately $4,310,000.

A 26. Plaintiffs have made reasonable inquiries and information known or readily obtainable by plaintiffs is insufficient to enable them to admit or deny Request 26.

Q. 27. Prior to June 3, 1970 White & Case was aware that in the period December 1969 through March 1970 Topper invoiced approximately $3,200,000 representing a Spring 1970 promotion with May 1970 payment terms.

A. 27. Plaintiffs have made reasonable inquiries and information known or readily obtainable by plaintiffs is insufficient to enable them to admit or deny Request 27. See Hinsey Dep. at 104-05.

Q. 28. Prior to June 3, 1970, White & Case was aware that on certain occasions Topper redated (extended the due date of) certain accounts receivable.

A. 28. Plaintiffs have made reasonable inquiries and information known or readily obtainable by plaintiffs is insufficient to enable them to admit or deny Request 28. See Hinsey Dep. at 263-67.

Q. 29. Prior to June 3, 1970, White & Case was aware that Topper had redated approximately $1,600,000 of invoices originally due by January 10, 1970, as an accommodation to customers, through October 10, 1970.

A. 29. Plaintiffs have made reasonable inquiries and information known or readily obtainable by plaintiffs is insufficient to enable them to admit or deny Request 29.

Q. 30. Prior to June 3, 1970, White & Case was aware that redating by Topper was done in accordance with the custom and practice generally followed throughout the toy industry.

A. 30. Plaintiffs have made reasonable inquiries and information known or readily obtainable by plaintiffs is insufficient to enable them to admit or deny Request 30.

Q. 31. As of June 3, 1970, White & Case believed that disclosure had been made in the June 3, 1970 Prospectus of all material facts to the extent required under applicable state and federal law.

A. 31. Plaintiffs have made reasonable inquiries and information known or readily obtainable by plaintiffs is insufficient to enable them to admit or deny Request 31.

Q. 32. As of June 3, 1970, White & Case believed that the June 3, 1970 Prospectus did not include any untrue statement of a material fact and did not omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

A. 32. Plaintiffs have made reasonable inquiries and information known or readily obtainable by plaintiffs is insufficient to enable them to admit or deny Request 32.

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Q. 33. White & Case did not learn of any fact between June 3, 1970 and April 29, 1971 which it believed indicated that any statement contained in the June 3, 1970 Prospectus was untrue or which it believed indicated that the June 3, 1970 Prospectus omitted to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

A. 33. Plaintiffs have made reasonable inquiries and information known or readily obtainable by plaintiffs is insufficient to enable them to admit or deny Request 33.

G. Topper Amex Listing

Q. 34. During June 1970 White & Case performed certain legal services for Topper in connection with Topper's application for listing of its stock on the American Stock Exchange. In connection with such services, Hinsey prepared a memorandum dated June 16, 1970 which stated in part:

> "I outlined to Mr. Stevens [of the American Stock Exchange] the company's projections in a general way and he was very impressed and indicated that if those projections were realized the Company would have no problem satisfying the Exchange's minimum requirements of a financial nature.
>
> In view of the fact that some of the problems raised, such as the shelf registration, are insoluble at the present time (the shelf registration has been recognized by all as a fundamental problem), I did not appeal to Mr. Stevens for reconsideration. However, I indicated that it might be possible for the Company to deal with the problems raised on a basis satisfactory to the Exchange later in the current year and, if such be the case, I would be in touch with him. Specifically, I have in mind the sale of a substantial number of shares covered by the shelf registration and interim figures which would bear out the Company's projections for the current year."

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A. 34. Deny the matters set forth in Request 34, except admit that during June 1970 Hinsey performed certain legal services for Topper in connection with Topper's application for listing of stock on the American Stock Exchange. In connection with such services, Hinsey prepared a memorandum dated June 16, 1970, reporting on his telephone conference of that date with Mr. Charles Stevens of the American Stock Exchange, a true and complete copy of which has been marked for identification as PX 854.

H. 1971 Public Offering and Facts Known By White & Case Prior to April 29, 1971

Q. 35. Commencing in late February 1971, White & Case performed legal services for Topper in connection with Topper's 1971 public offering. Its services included participation in the drafting and the review of Topper's prospectus dated April 29, 1971 ("April 29, 1971 Prospectus") and the various drafts thereof.

A. 35. Deny the matters set forth in Request 35, except admit that, commencing in late February 1971, Hinsey, with the assistance of Provine, Madden and Hull, (neither of whom acted for the purchasers in connection with the Private Placement), performed legal services for Topper in connection with Topper's 1971 public offering. Services rendered by one or more of such attorneys included review and suggestions of revisions in various drafts of what became Topper's prospectus dated April 29 1971 ("April 29, 1971 Prospectus").

A. 38. Plaintiffs have made reasonable inquiries and information known or readily obtainable by plaintiffs is insufficient to enable them to admit or deny Request 38.

Q. 39. White & Case prepared the initial draft of the April 29, 1971 Prospectus.

A. 39. Deny the matters set forth in Request 39, except admit that the "initial draft of the narrative" portions of what became the April 29, 1971 Prospectus was "prepared by Topper Corporation, with the assistance of" Provine and Hinsey (Hinsey Dep.) at 131.

Q. 40. White & Case reviewed and participated in the drafting of printer's page proofs dated February 26, 1971, March 1, 1971, March 5, 1971, March 8, 1971, March 18, 1971, March 25, 1971 and March 29, 1971 of the April 29, 1971 Prospectus.

A. 40. Deny the matters set forth in Request 40, except admit that Provine and Hinsey reviewed and particiated in the formulation of revisions of certain portions of certain of the various printer's page proofs (including those page proofs referred to in Request 40) of what became the April 29, 1971 Prospectus.

Q. 41. White & Case attorneys attended various meetings during the period from February through April 29, 1971 at which the matters contained in the various printer's page proofs of the April 29, 1971 Prospectus were discussed and reviewed among Topper's officers, Hayden Stone, Arthur Young and White & Case as attorneys for Topper ("1971 drafting sessions").

A. 41. Deny the matters set forth in Request 41, except admit that Hinsey, Provine or Madden as attorneys for Topper, attended various meetings during the period from February through April 29, 1971 during which certain portions of certain of the various printer's page proofs of what became the April 29, 1971 Prospectus were discussed and reviewed among Topper's officers, Hayden Stone, Messrs. Willkie, Farr & Gallagher (counsel for Hayden Stone), and Arthur Young ("1971 drafting sessions").

Q. 43. In the course of the 1971 drafting sessions, Topper's Spring 1971 Program under which approximately $14 million in sales were made and recorded by Topper in late 1970 with payment terms of five to eight months was discussed in considerable detail.

A. 43. Admit the matters set forth in Request 43.

Q. 44. On March 9, 1971 Joseph Hinsey met with Al Botte, a partner at Arthur Young, and Jack J. Rose and discussed "non-recurring sales 'booked' in December 1970."

A. 44. Admit the matters set forth in Request 44.

Q. 45. White & Case knew prior to April 29, 1971 that Topper's Spring 1971 Program accounted for approximately 22 per cent of Topper's net sales for the fiscal year ending December 31, 1970 and that the comparable amount for 1969 was approximately $2 million in extended dating sales which amounted to approximately 4 per cent of Topper's net sales for 1969.

A. 45. Deny the matters set forth in Request 45, except admit that the April 29, 1971 Prospectus stated (note 3 at 34) that "[a]pproximately $14,000,000 of sales made in December 1970 carried extended credit terms of five to eight months. The comparable amount for the prior year was $2,000,000"; that same

Prospectus (at 6) reported, among other things, "Net Sales" by Topper for the fiscal years 1969 and 1970; and that Hinsey and Provine reviewed this Prospectus prior to April 29, 1971.

Q. 46. As of April 29, 1971, White & Case knew that the merchandise invoiced under the Spring 1971 Program was principally comprised of the Dawn line of dolls and accessories.

A. 46. Deny the matters set forth in Request 46, except admit that, prior to April 29, 1971, Hinsey knew that the Spring 1971 Program "was primarily the Dawn line" (Hinsey Dep. at 339).

Q. 47. White & Case was told by Topper officers that one purpose of the Spring 1971 Program was to promote toy sales of Topper products at retail throughout 1971 and reduce the seasonal impact of Topper's business.

A. 47. Deny the matters set forth in request 47, except admit that Hinsey was aware that "a benefit that management felt was attainable as a result of the spring merchandise program" was "to reduce somewhat the seasonal impact of the company's business" (Hinsey Dep. at 157); "... it was the hope and expectation of management ... that the Dawn line would afford the type of product that could be readily purchased for birthday gifts and just ongoing toy use, as opposed to the more substantial purchases that one would think of in terms of Christmas giving" (id. at 172).

Q. 48. On February 9, 1971 White & Case rendered its written opinion on container shipments ("Container Shipment Opinion") that title to certain Dawn merchandise shipped in containers (which White & Case knew to be part of Topper's Spring 1971 Program) from the Orient passed to purchasers on the day following the date that the vessel transporting the container left port in the Orient.

A. 48. Admit the matters set forth in Request 48.

Q. 49. In connection with the issuance of this Container Shipment Opinion, attorneys at White & Case researched the applicable law.

A. 49. Admit the matters set forth in Request 49.

Q. 51. White & Case attorneys discussed accounting for container shipments with Errol Cook ("Cook"), a partner of Arthur Young on or about December 22, 1970.

A. 51. Admit the matters set forth in Request 51.

Q. 52. The existence and substance of the White & Case Container Shipment Opinion were discussed at 1971 drafting sessions.

A. 52. Admit the matters set forth in Request 52.

Q. 53. During 1971 drafting sessions attended by White & Case, Arthur Young, Hayden Stone and Topper officers, there was discussion of the need for disclosure -- in addition to note 3 of the notes to Topper's consolidated financial statements -- of the extent and terms of Topper's Spring 1971 Program. Those discussions resulted in the inclusion of the following paragraph on page 8 of the April 29, 1971 Prospectus:

> "The company is engaged in a very competitive business and has been required to meet extended dating offered to customers by competitors, thus increasing the Company's needs for and costs of working capital. December 1970 sales included approximately $14,000,000 of shipments, which consisted primarily of spring program merchandise, carrying extended terms of five to eight months, compared to similar sales of approximately $2,000,000 in 1969."

A. 53. Deny the matters set forth in Request 53, except admit that, during one or more of the 1971 drafting sessions, attended by Hinsey, Arthur Young, Hayden Stone, Messrs. Willkie, Farr and Gallagher (counsel to Hayden Stone), and Topper officers, there was discussion of the need for disclosure -- in addition to note 3 of the notes to Topper's consolidated financial statement -- of the extent and terms of Topper's Spring 1971 Program. Those discussions resulted in the disclosure of certain facts and the nondisclosure of other facts relating to the Spring 1971 Program. With respect to facts disclosed concerning the Spring 1971 Program, page 8 of the April 29, 1971 Prospectus stated:

> "The Company is engaged in a very competitive business and has been required to meet extended dating offered to customers by competitors, thus increasing the Company's needs for and costs of working capital. December 1970 sales included approximately $14,000,000 of shipments, which consisted primarily of spring program merchandise, carrying extended terms of five to eight months, compared to similar sales of approximately $2,000,000 in 1969."

Q. 54. White & Case prepared the initial draft of that paragraph which provided:

> "The toy business is seasonal and consequently the results of operations for any period of less than a year are not comparable to results for other periods. The Company is engaged in a very competitive business and consequently has been required to meet extended dating to customers offered by competitors, thus further increasing the Company's needs for and costs of working capital. December 1970 sales included approximately $14,000,000 carrying extended terms of five to eight months compared to similar sales of approximately $2,000,000 in 1969."

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A. 54. Deny the matters set forth in Request 54, except admit that Hinsey and Provine reviewed the initial draft of that paragraph which provided:

> "The toy business is seasonal and consequently the results of operations for any period of less than a year are not comparable to results for other periods. The Company is engaged in a very competitive business and consequently has been required to meet extended dating to customers offered by competitors, thus further increasing the Company's needs for and costs of working capital. December 1970 sales included approximately $14,000,000 carrying extended terms of five to eight months compared to similar sales of approximately $2,000,000 in 1969."

Q. 55. The initial draft was revised to the form in which it was included in the final April 29, 1971 Prospectus with the participation and review of White & Case, Arthur Young, Hayden Stone and Topper officers.

A. 55. Deny the matters set forth in Request 55, except admit that the initial draft was revised to the form in which it was included in the final April 29, 1971 Prospectus with the participation and review of Hinsey and Provine from White & Case, Arthur Young, Hayden Stone, Messrs. Willkie, Farr & Gallagher (counsel for Hayden Stone), and Topper officers.

Q. 56. It was decided in the course of the preparation for the 1970 public offering that it would be appropriate to disclose the reasons for the large losses incurred by Topper during the thirteen months ended February 4, 1967. Arthur Young developed the information since they had direct knowledge of the events surrounding these losses and the factors that would have had a bearing on such losses. This list of factors contributing to said losses was included in both the June 3, 1970 Prospectus and the April 29, 1971 Prospectus.

A. 56. Admit the matters set forth in the first and third sentences of Request 56, but deny the matters set forth in the second sentence thereof, except admit that the "language" referred to in the first sentence of said Request, "was developed by management with the ... substantial assistance of Arthur Young" (Hinsey Dep. at 159).

Q. 57. During the time of the drafting of the April 29, 1971 Prospectus, White & Case was aware that the Dawn line of dolls was a very important line to Topper.

A. 57. Admit the matters set forth in Request 57.

Q. 58. During the drafting of the April 29, 1971 Prospectus, White & Case was aware that Topper hoped that the Dawn line of dolls would be a staple product giving Topper year-in and year-out sales such as the Barbie doll had given to Mattel.

A. 58. Admit the matters set forth in Request 58.

Q. 59. During the drafting of the April 29, 1971 Prospectus, White & Case was aware that projections in the toy business were difficult, particularly in the case of Topper where the major portion of sales and even a greater proportion of earnings occurred in the final quarter and that as a result Topper's earnings projections in the past had not been accurate.

A. 59. Deny the matters set forth in Request 59, except admit that prior to April 29, 1971, Hinsey was aware that projections in the toy business were difficult, particularly in the case of Topper where the major portion of sales and even a greater proportion of earnings occurred in the final quarter, and that as a result Topper's earnings projections in the past had not been accurate.

Q. 60. On or about March 16, 1971, White & Case was advised by the attorneys for Citibank that Topper held goods for a customer's order in a warehouse in New Jersey pending delivery sometime prior to September 1971, but currently billed the customer for those goods.

Q. 61. The attorneys for Citibank also advised White & Case at that time that such "bill and hold" arrangements created a substantial risk of the customer's rejecting the goods upon delivery in the future.

A. 60. and 61. Deny the matters set forth in Requests 60 and 61, except admit that on or about March 16, 1971, Hinsey had a telephone conversation with an attorney for Citibank, the substance of which is set forth in a two-page memorandum, a true and complete copy of which is annexed to the letter marked for identification as PX 497.

Q. 68. White & Case performed various legal services for Topper in connection with the Ford Motor Credit Company ("Ford Motor Credit") loan which closed on September 16, 1971 and the Ford amendment to the financing agreement ("Ford Amendment Agreement") dated as of September 17, 1971.

A. 68. Deny the matters set forth in Request 68, except admit that Provine and Mitchell, under the general supervision of Hinsey, all three of whom were attorneys at White & Case, and no one of whom acted for the purchasers in connection with the Private Placement, performed various legal services for

Topper in connection with the Ford Motor Credit Company ("Ford Motor Credit") loan which closed on September 16, 1971 and the Ford amendment to the financing agreement ("Ford Finance Agree- Amendment") dated as of September 17, 1971.

Q. 69. Among other things, White & Case reviewed, as counsel for Topper, several drafts of the Ford Amendment Agreement.

A. 69. Deny the matters set forth in Request 69, except admit that, as counsel for Topper regarding such matters, Provine and perhaps Mitchell reviewed several drafts of the Ford Finance Agreement Amendment.

Q. 70. On or before September 17, 1971, White & Case was aware that the financing agreement had been amended on July 15, 1971 as follows:

> "In accordance with the request of Topper Corporation, we have agreed to temporarily increase the overall line of credit available to the company to $21,000,000.
>
> This increase to be available to August 15, 1971, and will include advances up to $3,000,000. in excess of our normal 80% advance against eligible assigned accounts receivable. We continue to have inventory and machinery and equipment as additional collateral."

A. 70. Deny the matters set forth in Request 70, except admit that on or before September 17, 1971, Mitchell and Provine appear to have been aware that the financing agreement had been amended on July 15, 1971, but plaintiffs have made reasonable inquiries and information known or readily obtainable by plaintiffs is insufficient to enable them to admit or deny whether, or to what extent, Mitchell or Provine were aware of the substance of such amendment.

Q. 71. On or before September 17, 1971, White & Case was aware that the financing agreement had been amended on August 25, 1971 as follows:

> "In accordance with the request of Topper Corporation, we have agreed to continue to September 30, 1971, the temporary increase in the overall line of credit available to the company of $21,000,000.
>
> The increased amount will include advances up to $4,800,000. in excess of our normal 80% advance against eligible assigned accounts receivable. We continue to have inventory and machinery and equipment as additional collateral."

A. 71. Deny the matters set forth in Request 71, except admit that on or before September 17, 1971, Provine and Mitchell appear to have been aware that the financing agreement had been amended on August 25, 1971, but plaintiffs have made reasonable inquiries and information known or readily obtainable by plaintiffs is insufficient for them to admit or deny whether, or to what extent, Provine or Mitchell were aware of the substance of such amendment.

Q. 72. White & Case reviewed the Ford Amendment Agreement, in the form executed by the parties thereto, on or before September 17, 1971.

A. 72. Deny the matters set forth in Request 72, except admit that Provine reviewed the Ford Finance Agreement Amendment in the form executed by the parties thereto, on or before September 17, 1971.

Q.* 75. On or before September 17, 1971, White & Case was aware that under the "Borrowing Base" formula set forth in paragraph 6 of the Ford Amendment Agreement the lenders agreed to lend a maximum of 50 per cent of the cost of merchandise sold by Topper under "bill and hold" arrangements up to a maximum of $1,000,000 in contrast to 80 per cent of the face amount of other eligible receivables.

Q.* 76. On or before September 17, 1971, White & Case knew that under the "Borrowing Base" formula set forth in paragraph 6 of the Ford Amendment Agreement, the lenders agreed to lend up to 50 per cent of the face amount of redated receivables up to a maximum of $1,000,000 in contrast to 80 per cent of the face amount of other eligible receivables.

Q.* 77. On or before September 17, 1971, White & Case knew that under the "Borrowing Base" formula set forth in paragraph 6 of the Ford Amendment Agreement, the lenders did not agree to lend against receivables which had been redated more than 180 days (except that redated receivables otherwise includible in the "Borrowing Base" would continue to be so includible through September 30, 1971 notwithstanding the fact that they may have been subject to such an extension of time in excess of 180 days).

Q.* 78. On or before September 17, 1971, White & Case knew that under the "Borrowing Base" formula set forth in paragraph 6 of the Ford Amendment Agreement, the lenders did not agree to lend against merchandise sold on terms of sale exceeding 120 days, which had the effect of rendering ineligible receivables resulting from sales made on extended dating terms of five to eight months such as those under the Spring 1971 Program.

A. 75, 76, 77 and 78. Plaintiffs have made reasonable inquiries and information known or readily obtainable by plaintiffs is insufficient to enable them to admit or deny Requests 75, 76, 77 and 78, except plaintiffs admit that Provine, as counsel for Topper in connection with the Ford Finance Agreement Amendment, read the provisions thereof, including paragraph [illegible]

Q. 79. On August 24, 1971, Provine requested that the Executive Vice President of Topper, David L. Downs ("Downs"), examine paragraph 2 of the financing agreement to ensure that each of the representations and warranties therein set forth applied to Topper as then constituted. The representations in paragraph 2 included, among others, a representation that the receivables assigned under the financing agreement would be "free and clear and will cover a bona fide sale and delivery of merchandise ... and not subject to any offset, counterclaim, lien or other condition other than as set forth on the face of the invoice ... "

A. 79. Admit the matters set forth in Request 79.

J. White & Case's Role in the Private Placement and Facts Known by White & Case Prior to September 28, 1971

Q. 84. Attorneys from White & Case, including Hinsey and Provine, represented Topper in connection with the Private Placement (the "White & Case Topper Team").

A. 84. Deny the matters set forth in Request 84, except admit that Messrs. Hinsey, Provine and (to a lesser extent) Levine, all attorneys at White & Case and no one of whom acted for the purchasers in connection with the Private Placement, represented Topper in connection with the Private Placement (the "White & Case Topper Team").

Q. 85. Attorneys from White & Case, including Ramseur, Vickers and Doyle, represented all of the purchasers in connection with the Private Placement (the "White & Case Purchaser. Team").

A. 85. Deny the matters set forth in Request 85, except admit that Messrs. Ramseur, Vickers and Doyle, all attorneys at White & Case, and no one of whom had theretofore rendered legal services to Topper, represented all of the purchasers in connection with the Private Placement (the "White & Case Purchasers Team").

Q. 86. During the spring of 1970 Glover Johnson contacted Henry Thompson of the Pension Fund and recommended that the Pension Fund purchase Topper common stock in the 1970 public offering. White & Case billed Topper for this time.

A. 86. Admit the first sentence of Request 86, but plaintiffs have made reasonable inquiries and information known or readily obtainable by plaintiffs is insufficient to enable them to admit or deny the second sentence thereof.

Q. 88. Mr. Johnson's diary for April 7, 1971 states:

> "Telephone talks with Mr. Thompson of U.S. Steel Company and Mr. Orenstein as to proposed debenture financing."

A. 88. Admit the matters set forth in Request 88.

Q. 91. On August 12, 1971 Henry Thompson telephoned Glover Johnson to inquire about Topper and its management. White & Case billed Topper for this time.

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A. 91. Deny the matters set forth in the first sentence of Request 91, except admit that on August 12, 1971, Henry Thompson telephoned Glover Johnson in response to the invitation of Henry Orenstein and that the substance of Mr. Thompson's conversation with Mr. Johnson on that occasion is as set forth in the Thompson deposition (at 171-74). Plaintiffs have made reasonable inquiries and information known or readily obtainable by plaintiffs is insufficient to enable them to admit or deny the second sentence of said Request.

Q. 92. Mr. Johnson's diary for August 12, 1971 for Topper states:

> "Long telephone talk with Henry Thompson
> of U S Steel Pension Fund as to purchase
> of Convertible Debentures. Further talk
> with Mr. Downs re same."

A. 92. Admit the matters set forth in Request 92.

Q. 93. Shortly after Mr. Thompson spoke with Mr. Johnson on August 12, 1971, George Nelson ("Nelson") of the Pension Fund called Mr. McNally. He asked McNally to check with Johnson and ask Johnson what he thought about the management of Topper and their integrity, whether there were any special problems in Topper that the Pension Fund should know about, and how Johnson felt about the general outlook for the company. Nelson also asked McNally for his private opinion of Johnson's judgment.

A. 93. Admit the matters set forth in Request 93.

Q. 94. The reasons Nelson felt he could ask McNally these questions were that White & Case and the Pension Fund had a very long relationship; McNally and Nelson had worked together for 12 years and had been through all kinds of situations, and Nelson and McNally knew each other very well.

A. 94. Admit the matters set forth in Request 94.

Q. 95. McNally then telephoned Nelson and told him that Johnson thought that Topper management was good, capable and honest, that he thought the outlook for Topper was good and that he was not aware of any special problems. McNally also said that he thought Johnson was a capable, experienced lawyer-businessman, and had confidence in his judgment.

A. 95. Admit the matters set forth in Request 95.

Q. 96. At no time did McNally or any other partner of White & Case refuse to give Nelson information about Topper on the ground that White & Case was general counsel to Topper and could not communicate private information about Topper.

A. 96. Plaintiffs have made reasonable inquiries and information known or readily obtainable by plaintiffs is insufficient to enable them to admit or deny Request 96, except admit that at no time did Nelson seek private information about Topper and that at no time did McNally give Nelson any reason to believe that he was refusing to give Nelson information about Topper on the ground that White & Case was general counsel to Topper and could not communicate private information about Topper.

Q. 97. Shortly before agreeing to represent the Pension Fund in connection with the Private Placement, Ramseur telephoned Hinsey and inquired about the quality of Topper and whether

Topper was up to the Pension Fund's investment standards. He (Hinsey) told Ramseur in substance that Topper was "okay, good enough."

A. 97. Deny the matters set forth in Request 97, except admit that shortly before agreeing to represent the Pension Fund in connection with the Private Placement, Ramseur telephoned Hinsey and inquired about the quality of Topper and whether Topper was up to the Pension Fund's investment standards. Hinsey recognized that "it would be a breach of the duties which he and [Ramseur] independently owed to these separate prospective clients to discuss with [Ramseur] the quality of Topper Corporation" (Ramseur Dep. at 24). Accordingly, Hinsey "responded in the briefest way" saying "that Topper [was] okay" (id.).

Q. 98. Prior to agreeing to represent the Pension Fund, Ramseur spoke with Provine. Provine told Ramseur that it was well known that the toy industry was either feast or famine and that the business of any toy company is subject to wide swings.

A. 98. Deny the matters set forth in Request 98, except admit that Remseur called Provine and "asked him what the toy industry was like" (Ramseur Dep. at 35) -- to which Provine responded that "it's well known that the industry is a matter of feast or famine" (id.).

Q. 99. The White & Case Purchaser Team of attorneys acted as agent for the purchasers in the Private Placement. The Purchasers regarded White & Case's representation of Topper as advantageous since it would contribute to an expeditious handling of the financing transaction.

A. 99. Deny the matters set forth in Request 99, except admit that the White & Case Purchasers Team of attorneys rendered legal services to the purchasers in connection with the Private Placement.

Q. 100. Prior to September 28, 1971, Ramseur believed that so far as the appreciation value of the conversion rights to be acquired by the purchasers was concerned, that the probability of a large increase in the value of the conversion rights was uncertain. This view stemmed from what Ramseur had been told by Provine regarding the general feast or famine character of the toy industry and from the fact that Topper's Sesame Street line, which could have a large impact on Topper's future success, was new and its future therefore uncertain.

A. 100. Admit the matters set forth in Request 100.

Q. 101. Prior to September 23, 1971, the White & Case Purchasers Team reviewed the April 29, 1971 Prospectus.

A. 101. Plaintiffs have made reasonable inquiries and information known or readily obtainable by plaintiffs is insufficient to enable them to admit or deny Request 101, except admit that Ramseur, the partner in charge of the White & Case Purchasers Team, "had a copy of" the April 29, 1971 Prospectus (Ramseur Dep. at 75), and worked with a portion thereof, namely the "financial statements ... that had come to [Ramseur] from Henry Thompson" and which Ramseur reviewed "analytically from the standpoint of designing covenants for the agreement" (id. at 74).

Q. 102. The White & Case Topper Team reviewed the Private Placement memorandum in draft form on June 21 and June 22, 1971 [Provine 15; JH 231] and reviewed it again on September 9, 1971 when it was in final form.

A. 102. Plaintiffs have made reasonable inquiries and information known or readily obtainable by plaintiffs is insufficient to enable them to admit or deny Request 102, except plaintiffs admit that, though "the opinion of White & Case was never sought on the adequacy of disclosure in the private placement memorandum" (Hinsey Dep. at 348), Hinsey was "given" a draft of said memorandum "sometime in the afternoon" of June 22, 1971 "and asked to have ... comments, if any, by early the next day" (id. at 343); subsequent to June 22, 1971, Hinsey saw the Private Placement Memorandum, following its delivery to at least two of the plaintiffs herein, sometime in "[e]arly September of 1971", when he "looked at it" but "didn't give it detailed study" and "had not seen it since the time" he "saw a draft" in June (id. at 354).

Q. 103. Prior to September 23, 1971, the White & Case Topper Team knew that the purchasers in the Private Placement had been supplied with Topper's interim financial statements for the six months ended June 30, 1971 and its audited 1970 financial statements.

A. 103. Admit the matters set forth in Request 103.

Q. 104. Prior to September 28, 1971, the White & Case Topper Team had received Topper's unaudited financial statements for the seven months ended July 31, 1971.

A. 104. Admit the matters set forth in Request 104.

Q. 105. On or before September 28, 1971, the White & Case Topper Team knew that the Purchase Agreement provided in paragraph 5.2 as follows:

> 5.2 Financial Statements, etc. The Company has furnished you with a copy of its Registration Statement on Form S-1 under the Securities Act of 1933, effective April 29, 1971. Such Registration Statement did not, at the effective date thereof, include any untrue statment of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading. The Company has furnished you with (a) a consolidated balance sheet of the Company and its Subsidiaries, as at December 31, 1970, and a consolidated statement of operations for the fiscal year then ended, certified by Arthur Young & Company, and (b) an unaudited consolidated balance sheet of the Company and its Subsidiaries as at June 30, 1971 and a consolidated statement of operations thereof for the six months period then ended. Such financial statements are true and correct and have been prepared in accordance with generally accepted accounting principles consistently followed throughout the periods involved. Such balance sheets fairly present the condition of the Company and its Subsidiaries as at the respective dates thereof, and such consolidated statements of operations fairly present the results of operations of the Company and its Subsidiaries for the periods indicated. No dividends or other distributions have been declared or paid on the capital stock of the Company since June 30, 1971. There has been no change in the business or condition (financial or otherwise) of the Company or its Subsidiaries since June 30, 1971 other than as set forth in clause (c) of subsection 5.3 [concerning Ford Motor Credit loan] hereof and other than changes in the ordinary course of business, none of which, individually or in the aggregate, has been materially adverse.

A. 105. Admit the matters set forth in Request 105.

Q. 107. As of September 28, 1971, the White & Case Topper Team did not believe that there had been a materially adverse change in the business or condition (financial or otherwise) of Topper or its subsidiaries since June 30, 1971.

A. 107. Deny that Hinsey believed that White & Case had "any responsibility for" or played any "role in any updating" of information, financial or otherwise, in connection with the Private Placement beyond that set forth in the April 29, 1971 Prospectus; and, therefore, deny that Hinsey made any independent inquiry to determine whether any such information existed, except admit that Hinsey does not presently recall that prior to the Private Placement any information otherwise came to his attention which gave him any reason to believe that there had been a materially adverse change in the business or condition, financial or otherwise, of Topper since June 30, 1971.

Q. 108. At no time between September 1 and September 28, 1971, did the White & Case Topper Team request Topper to disclose to the purchasers or public at large materially adverse information concerning Topper's business or condition (financial or otherwise) since June 30, 1971.

A. 108. Admit the matters set forth in Request 108.

Q. 109. Hinsey and Johnson attended Topper's board of directors meeting on July 27, 1971. [PX 779] In the view of Hinsey, no materially adverse change in Topper's business or condition (financial or otherwise) subsequent to June 30, 1971 was disclosed at that meeting.

A. 109. Admit the first sentence of Request 109, but plaintiffs have made reasonable inquiries and information known or readily obtainable by them is insufficient to enable plaintiffs to admit or deny the second sentence thereof.

Q. 110. The board of directors meeting held on July [illegible], 1971 was the only directors meeting which took place between April 27, 1971 (the date of the last previous meeting of the board of directors) and the closing of the Private Placement on September 28, 1971.

A. 110. Admit the matters set forth in Request 110.

Q. 111. Sometime during the Summer or early Fall of 1971, Jack J. Rose advised Hinsey that Topper's customers were slow in paying their receivables because they were using Topper's and other suppliers' money. Rose did not tell Hinsey that the customers were not paying receivables because they claimed the right to withhold payment if they did not move the merchandise at retail.

A. 111. Admit the matters set forth in Request 111.

Q. 112. Sometime prior to September 28, 1971, Topper advised White & Case that there was a pattern in the toy industry of giving payment accommodations to customers to induce early purchases.

A. 112. Deny the matters set forth in Request 112, except admit that Topper "suggested" to Hinsey "that there was a pattern of giving payment accommodations [to customers] to induce early purchases" (Hinsey Dep. at 50).

Q. 113. Sometime prior to September 28, 1971, White & Case became aware that at Toy Fair in connection with the booking of new orders, a myriad of open items were the subject of negotiations which would include advertising allowances of an incremental nature, the shifting of merchandise to another customer on an accommodation basis, and other similar arrangements in order to maintain an on-going relationship between manufacturer and customer.

A. 113. Plaintiffs have made reasonable inquiries and information known or readily obtainable by plaintiffs is insufficient to enable them to admit or deny Request 113, except plaintiffs admit that prior to September 28, 1971, Hinsey, the White & Case partner in charge of the Topper Team, understood that there was an annual toy fair held in New York City at which the toy manufacturers show their new lines, and at which new orders were solicited and booked; and that at Toy Fair, in connection with the booking of new orders, a myriad of open items were the subject of negotiation, and part and parcel of the basic consideration package for the initial order for the new line, which would include advertising allowances of an incremental nature, the shifting of merchandise to another customer on an accommodation basis, and other similar arrangements in order to maintain an on-going relationship between manufacturer and customer.

K. The Announcement of Topper's Loss

Q. 114. On December 13, 1971, White & Case was informed for the first time by Topper officers that management projected a loss for 1971.

A. 114. Admit the matters set forth in Request 114.

Q. 115. After being advised of this loss, Hinsey consulted with Topper officers about, among other things, whether public disclosure should be made of the loss immediately and whether Berlind and Weill, who were outside directors of Topper, should be advised of the expected loss at that time.

A. 115. Plaintiffs have made reasonable inquiries and information known or readily obtainable by plaintiffs is insufficient to enable them to admit or deny Request 115, except plaintiffs admit that, after being advised of this loss, Hinsey "explored" with Topper officers "the need for a public disclosure" and "discussed whether or not trading should be suspended" (Hinsey Dep. at 285) and whether Topper's "outside directors should be contacted" (id. at 286).

Q. 116. On December 13, 1971 Hinsey advised the Topper officers that disclosure of the expected loss should not then be made to Berlind and Weill.

A. 116. Plaintiffs have made reasonable inquiries and information known or readily obtainable by plaintiffs is insufficient to enable them to admit or deny Request 116, except plaintiffs admit that on December 13, 1971, at the same meeting referred to in Request 115, Hinsey advised the Topper officers "against contacting outside directors until such time as they had a better grasp of what had happened, had the benefit of the contact with their principal lenders which they viewed to be imperative, and were in a position to make a public disclosure, because [Hinsey] felt that furnishing this information to the two individuals, Messrs. Weill and Berlind, would put them in a completely intolerable position.... They would have had a fiduciary responsibility to Topper Corporation in terms of the handling of this problem in the best interests of the corporation, its creditors, its stockholders. They would have had an obligation in terms of the firm's responsibilities that would have been in conflict" (Hinsey Dep. at 286).

Q. 117. Hinsey was advised on December 17, 1971 for the first time that Topper expected to suffer a loss of $10 to $15 million for 1971. This occurred at a board of directors meeting held on December 17, 1971 which was attended by, among others, Berlind and Weill.

A. 117. Admit the matters set forth in Request 117.

Q. 119. During January 1972, White & Case learned for the first time that Topper had previously granted rights of exchange to certain customers and that certain letters confirming exchange rights existed.

A. 119. Plaintiffs have made reasonable inquiries and information known or readily obtainable by plaintiffs is insufficient to enable them to admit or deny Request 119, except plaintiffs admit that during January 1972 Hinsey learned for the first time that, in connection with the solicitation of orders, Topper had previously and expressly granted certain exchange privileges to certain customers covering merchandise which was the subject of such orders, and that certain letters confirming such exchange privileges existed in the files of Topper.

Q. 120. Arthur Young is an international firm of certified public accountants having approximately 450 partners with approximately 400 of these in the United States. It has approximately 70 offices in the United States. At least 4 of the top twenty "Fortune 500" corporations are clients of Arthur Young.

A. 120. Admit the matters set forth in Request 120.

Q. 121. From 1950 to and including the audit of Topper's December 31, 1970 financial statements ("1970 audit"), Arthur Young performed all audits of Topper and its predecessor corporations. In addition, it reviewed certain interim financial statements of Topper for the purpose of S.E.C. and American Stock Exchange filings.

A. 121. Admit the matters set forth in Request 121.

Q. 124. Arthur Young, during at least the years 1969, 1970 and 1971, generally received copies of Topper's unaudited monthly Financial Statements at or about the time such statements were regularly circulated to Topper directors and others.

A. 124. Admit the matters set forth in Request 124.

Q. 125. Arthur Young received copies of Topper's unaudited monthly Financial Statements for the period ended July 31, 1971 at or about the time such statements were circulated to Topper directors and others.

A. 125. Admit the matters set forth in Request 125.

Q. 126. During the audits and reviews of Topper's Financial Statements performed by Arthur Young, including the 1970 audit and the review by Arthur Young of Topper's March 31, 1971 Financial Statements, Arthur Young was furnished by Topper with copies of accounts receivable detail trial balances, showing the aging of Topper's accounts receivable as of the end of various months.

A. 126. Admit the matters set forth in Request 126.

Q. 128. Salvatore Botte was the Arthur Young partner in charge of the 1970 audit. He had been a partner since 1959, and had been the partner in charge of all prior audits of Topper and its predecessor corporations.

A. 128. Admit the matters set forth in Request 128.

Q. 129. John Walsh was the principal on the 1970 audit. He had first worked on a Topper audit in approximately 1960, and had been manager or principal on each subsequent Topper audit.

A. 129. Admit the matters set forth in Request 129.

Q. 130. Errol Cook was the manager on the 1970 audit. He had first worked on a Topper audit in 1962, and had subsequently participated in each Topper audit except that of the 1969 financial statements. He was manager on the 1967 and 1968 Topper audits.

A. 130. Admit the matters set forth in Request 130.

Q. 131. Erle Zoll was the senior accountant assigned to the 1970 audit. He had previously participated in the 1969 Topper audit.

A. 131. Admit the matters set forth in Request 131.

Q. 132. Ivan Samuels participated in the 1970 audit. He had previously participated in the 1969 Topper audit.

A. 132. Admit the matters set forth in Request 132.

Q. 133. Also participating in the 1970 audit were John Belknap, Pat Bagley and Udo Liell.

A. 133. Admit the matters set forth in Request 133.

Q. 134. Arthur Young personnel spent a total of 1623 manhours on the 1970 audit alone.

A. 134. Admit the matters set forth in Request 134.

Q. 135. During the 1970 audit, Arthur Young knew that during 1970 and 1971, Topper permitted certain customers under certain circumstances to exchange one item of non-defective unsold merchandise for another.

A. 135. Admit the matters set forth in Request 135.

Q. 136. Arthur Young was informed by Topper that Topper permitted balancing of inventory, whereby customers receiving uneven assortments of items (e.g., too many green dresses and too few red dresses) were permitted to exchange certain of the items with Topper or with another customer so as to achieve a better balance.

A. 136. Admit the matters set forth in Request 136.

Q. 138. During the 1970 audit, it was Arthur Young's understanding that all Topper's sales were unconditional, with no rights to return or exchange non-defective merchandise granted at the time such sales were made. It further understood that return of non-defective merchandise was not generally permitted, except for the balancing of inventory described above. The basis of this understanding was representations by Rose, Schwartz, Pierce, Orenstein, Obolsky and Vogt.

A. 138. Deny the matters set forth in Request 138, except admit that during the 1970 audit, it was Arthur Young's understanding that Topper's sales were not made on a "consignment" or "guaranteed sale" basis, and that Topper had made adequate provision for subsequent returns, discounts, markdowns, rebates, allowances and other concessions which had been, or subsequently would be, granted against 1970 sales.

Q. 139. In a meeting in November, 1970, Rose informed Arthur Young that all sales made under the Spring 1971 Program would be final sales.

A. 139. Deny the matters set forth in Request 139, except admit that, from time to time during the course of the 1970 audit, including perhaps November 1970, Rose informed representatives of Arthur Young:

(a) that a reserve of approximately $1.5 million had been established against 100% of the profit attributable to the approximately $2.8 million in merchandise stored in the New York Terminal Warehouse under the Spring 1971 Program (although Arthur Young subsequently viewed the $1.5 million reserve more broadly as a provision for returns applicable to all merchandise sold under the Spring 1971 Program);

(b) that an additional accrual of approximately $400,000 had been established against sales made to franchise distributors under the Spring 1971 Program;

(c) that these reserves and accruals were adequate for the purposes for which they were established; and

(d) that sales under the Spring 1971 Program were not consignment sales.

Q. 140. During the 1970 audit Arthur Young received a confirmation from Washington Distributors which attached a handwritten memorandum by J. Jones, a Topper salesman, purporting to grant that customer the right to exchange merchandise purchased pursuant to the Spring 1971 Program for other merchandise. Upon being shown this memorandum, Rose informed Arthur Young that J. Jones did not have the authority to grant such a right and that in fact no customer had such a right.

A. 140. Deny the matters set forth in Request 140, except admit that, during the 1970 audit Arthur Young received a confirmation response from Washington Distributors dated February 5, 1971 which included a handwritten memorandum by J. Jones, a Topper salesman, stating that "Topper agrees to exchange any merchandise in New York Terminal Warehouse" dollar for dollar; this confirmation response was marked with an "E", signifying an exception, and it was listed on a Schedule of Exceptions to confirmation responses prepared by Arthur Young on or about February 1[illegible], 1971; neither Messrs. Cook nor Walsh, the Arthur Young manager and principal assigned to the Topper audit, recall reviewing this exception internally or with Topper officials; Mr. Zoll, a senior member of the Arthur Young staff, stated that he brought the confirmation response to the attention of Mr. Rose, the chief financial officer of Topper, but did not recall the details of the conversation; Zoll further stated it was his "impression" that Rose had a negative or critical feeling toward Mr. Jones and indicated that Mr. Jones was not authorized to send the exchange letter to the customer; Arthur Young never discussed the confirmation response of Washington Distributors, including the exchange memorandum attached thereto, with officials in the Topper sales department familiar with customer sales arrangements or with Washington Distributors itself.

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Q. 141. During its review of Topper's March 31, 1970 financial statements, Arthur Young learned of a program whereby, Arthur Young understood, certain customers were permitted to return to Topper Johnny Lightning toy cars previously purchased, and these cars were repackaged in different assortments and shipped out again.

A. 141. Deny the matters set forth in Request 141, except admit that during the course of its interim review of Topper's March 31, 1970 financial statements, Arthur Young was informed that Topper allowed customers to exchange 1969 Johnny Lightning cars for 1970 Johnny Lightning cars, regardless of quantity or style; at the time of the March 31, 1970 review, the 1970 Johnny Lightning cars which were to be sent in exchange for the 1969 cars had not been shipped.

Q. 142. Upon learning of the Johnny Lightning exchange program, Walsh went to Topper and discussed it with Rose, who told him it was an accommodation to customers and that the same cars that came back to Topper under the program were shipped out again. Arthur Young accepted Rose's explanation.

A. 142. Deny the matters set forth in Request 142, except admit that during the course of the March 1970 interim review, Arthur Young learned from Messrs. Rose and Schwartz that Topper was permitting certain customers to exchange 1969 Johnny Lightning cars for 1970 Johnny Lightning cars in order to induce those customers to write larger orders; representatives of Arthur Young, including Mr. Walsh, apparently accepted Rose's explanation.

Q. 143. In 1970 Arthur Young knew that a large dollar volume of toys was involved in the Johnny Lightning exchange program.

A. 143. Admit the matters set forth in Request 143.

Q. 144. It was Arthur Young's understanding, based on conversations with Topper, that the Johnny Lightning exchanges were not pursuant to a right granted customers at the time of original sale of the cars, but rather that it was an accommodation to customers conceived by Topper after the original sales had taken place.

A. 144. Admit the matters set forth in Request 144.

Q. 145. Arthur Young concluded that no reserves needed to be increased and no disclosure needed to be made in Topper's financial statements as a result of the Johnny Lightning exchange program.

A. 145. Deny the matters set forth in Request 145, except admit that Arthur Young workpapers indicate that merchandise returns during the first quarter of 1970, including returns under the Johnny Lightning exchange program, all of which were applicable to 1969 sales, exceeded the reserve established for this purpose in the 1969 financial statements by $232,000; Arthur Young concluded that this "loss problem" was "overcome" by a $200,000 "cushion" in Topper's reserve for obsolete inventory; plaintiffs have made reasonable inquiries with regard to the statement "Arthur Young concluded no disclosure needed to be made in Topper's financial statements as a result of the Johnny Lightning program" and information known or readily obtainable by them is insufficient to admit or deny this portion of Request 145.

Q. 146. During the 1970 audit, Arthur Young knew that Topper first shipped merchandise to the New York Terminal Warehouse for certain of its customers as early as 1967.

A. 146. Admit the matters set forth in Request 146.

Q. 147. During the 1970 audit, Arthur Young knew that in 1968 Topper had agreed to ship certain merchandise to the New York Terminal Warehouse for the account of two customers, S. S. Kresge Company and J. C. Penney.

A. 147. Admit the matters set forth in Request 147.

Q. 148. During the 1970 audit, Arthur Young knew that under an April 1, 1970 contract with New York Terminal Warehouse Company ("NYTCO"), Topper agreed to lease space on its premises to NYTCO and NYTCO in turn agreed to accept for storage therein the property tendered by Topper.

A. 148. Admit the matters set forth in Request 148.

Q. 149. During the 1970 audit, Arthur Young knew that Topper leased space on its premises to NYTCO for $1 a year and Topper also agreed to provide NYTCO with all necessary labor for the handling, storage and safekeeping of property deposited or tendered for storage.

A. 149. Admit the matters set forth in Request 149.

Q. 150. During the 1970 audit Arthur Young knew that during the years 1970 and 1971, Topper recorded a sale when merchandise was shipped to the New York Terminal Warehouse and stored there for a customer pursuant to the customer's order. Arthur Young determined that this was appropriate accounting treatment.

A. 150. Deny the matters set forth in Request 150, except admit that during the 1970 audit Arthur Young knew that for the years 1970 and 1971 Topper recorded a sale when merchandise was shipped to the New York Terminal Warehouse; Arthur Young also knew that Topper accounted for the approximately $2.8 million in merchandise shipped to and stored in the New York Terminal Warehouse as of December 31, 1970 in its financial statements by establishing a reserve of approximately $1.5 million based on

100% of the profit attributable to such merchandise. Arthur Young certified Topper's 1970 financial statements with knowledge of the fact that approximately $4.5 million of Topper's "net sales" were attributable to merchandise stored in, or in transit to, the New York Terminal Warehouse as of December 31, 1970.

Q. 151. During the 1970 audit Arthur Young knew that, in December, 1969, Topper had sold approximately $400,000 worth of goods to Kresge, that such goods were shipped to and stored in the New York Terminal Warehouse for Kresge's account, and that approximately 50% of those goods were returned to Topper in 1970.

A. 151. Admit the matters set forth in Request 151.

Q. 152. During the 1970 audit Arthur Young knew that in December, 1969, Topper had sold approximately $147,470 worth of goods to Korvettes on a bill and hold basis and that approximately $114,670.74 worth of these goods were not shipped to Korvettes in 1970.

A. 152. Admit the matters set forth in Request 152.

Q. 153. During the 1970 audit Arthur Young knew that, as of December 31, 1970, $2,820,353.59 of sales recorded by Topper in 1970 under Topper's Spring 1971 Program consisted of merchandise reportedly shipped to the New York Terminal Warehouse for customers' accounts, that a sale to Kresge accounted for approximately $1 million of these sales, that the bulk of the merchandise had actually been shipped to the New York Terminal Warehouse, and the sales had been recorded in December, 1970.

154. During the 1970 audit, Arthur Young knew that a portion (approximately $200,000 worth) of the $2,820,353.59 reportedly stored in the New York Terminal Warehouse as of December 31, 1970 was Kresge merchandise which was not in fact transferred to the New York Terminal Warehouse until January 1971, but was segregated for Kresge and mistakenly permitted to remain on Topper's premises until sometime in January 1971.

of merchandise not so transferred is unknown to plaintiffs, but was estimated from $200,000 by one Arthur Young official to $1 million by the Arthur Young accountant who audited the Kresge inventory; and Arthur Young knew that all such Kresge merchandise whether or not transferred to the New York Terminal Warehouse by December 31, 1970 had been reported as 1970 sales.

A. 153. and 154. Deny the matters set forth in Requests 153 and 154, except admit that a portion of the $2,820,353.59 reportedly stored in the New York Terminal Warehouse as of December 31, 1970 for the account of Kresge was in fact not transferred to the warehouse until mid-January 1971; the amount

Q. 155. During the 1970 audit, Arthur Young knew that, as of 11:59 P.M. (Eastern Standard Time) December 31, 1970, approximately $3 million worth of merchandise sold under Topper's Spring 1971 Program and recorded as sales in 1970 was in transit from the Orient to the New York Terminal Warehouse for the accounts of customers.

A. 155. Admit the matters set forth in Request 155.

Q. 156. During the 1970 audit, Arthur Young employed special audit procedures regarding the sales and receivables attributable to the shipments to the New York Terminal Warehouse for customers' accounts.

A. 156. Admit the matters set forth in Request 156.

Q. 157. These special audit procedures included a separate count of the merchandise in the New York Terminal Warehouse. This merchandise was behind locked doors and only NYTCO had the keys.

A. 157. Plaintiffs have made reasonable inquiries and the information known or readily available to plaintiffs is insufficient to admit or deny Request 157 as stated, except that plaintiffs admit that the special audit procedures included a separate count of the merchandise in New York Terminal Warehouse.

Q. 158. During the 1970 audit, Arthur Young knew that the terms of the warehouse program adopted by Topper at the end of 1970 for the Spring 1971 Program were generally embodied in two separate documents, one, an agreement between Topper and its customers (referred to as "the Spring Promotion Warehouse Agreement"), and the other, a letter from the customer to NYTCO (collectively referred to as the "Warehouse Agreements"). Another part of Arthur Young's special audit procedure was the examination of these Warehouse Agreements.

A. 158. Admit the matters set forth in Request 158.

Q. 159. During the 1970 audit, Arthur Young knew that the Spring Promotion Warehouse Agreements involved a "promotion whereby Topper will sell and deliver goods to New York Terminal Warehouse on behalf of the customer."

A. 159. Admit the matters set forth in Request 159.

Q. 160. During the 1970 audit, Arthur Young knew that, under the Spring Promotion Warehouse Agreements, all warehousing costs were assumed by Topper through September 1, 1971 and the customer was required to remove all merchandise from the New York Terminal Warehouse no later than September 1, 1971.

A. 160. Admit the matters set forth in Request 160.

Q. 161. During the 1970 audit Arthur Young knew that, under the Warehouse Agreements, all customers for whom merchandise was stored in the New York Terminal Warehouse authorized NYTCO to deliver to Topper merchandise stored for such customers' accounts in New York Terminal Warehouse, on the following conditions:

(a) That not later than the close of the seventh business day following the day during which any property is delivered New York Terminal Warehouse will forward to the customer its regular form of delivery order, in duplicate, listing the quantity and kind of property delivered.

(h) That in the event NYTCO has not forwarded to the customer the Confirmation of Delivery specified above, NYTCO will make no further delivery of property from its warehouse and will communicate with the customer for instructions. In addition, the customer's authorization to NYTCO provided:

> "This authority is not intended to give Topper Corp. any right to possession of or other interest in or to the property referred to above, and until delivery of the property authorized to be released hereunder has actually been made by you from the above warehouse, the right, title and interest of the undersigned in and to such property shall not in any manner be effected."

A. 161. Admit the matters set forth in Request 161.

Q. 162. During the 1970 audit, Arthur Young knew that many of the letters from customers to NYTCO had at the bottom the common typographical error "cc: I. Rose", referring apparently to Jack Rose.

A. 162. Admit the matters set forth in Request 162.

Q. 163. During the course of the inventory of merchandise in the New York Terminal Warehouse, in the first week of January, 1971, Zoll had a conversation with Vogt. With regard to sales shipped to the New York Terminal Warehouse, Vogt explained to Zoll that:

> "... some big customers like Kresge will place a $1,000,000 or so order at the end of the year. But as the year goes on, it will turn out that they will desire delivery of a different batch of items than were in their original order. So the original order is treated as a blanket order. Delivery of different merchandise will be considered as applicable to the original merchandise. The merchandise in the original order will be returned to Topper stock if not wanted by the customer and a credit will be issued."

A. 163. Admit the matters set forth in Request 163.

Q. 164. After this conversation, but still during the 1970 audit, Cook took the matter up with Rose, Vogt, Schwartz and Pierce. He was told by all that Vogt's statement referred only to Topper's 1969 sale to Kresge, that returns from this sale were allowed as a marketing decision by Topper, that no exchange or return rights applied to Topper's 1970 sales to Kresge, and that Kresge would not be permitted by Topper to return merchandise purchased under the Spring 1971 Program.

A. 164. Deny the matters set forth in Request 164, except admit that during the course of the 1970 audit representatives of Arthur Young had conversations with Topper officials concerning merchandise stored in the New York Terminal Warehouse for Kresge in 1969 and 1970. As a result of these conversations, Arthur Young learned, among other things, that Topper permitted Kresge to return approximately 50% of the merchandise which had been stored in the New York Terminal Warehouse in 1969 to induce Kresge to place orders for additional merchandise in the future; and that to protect against similar returns relating to the $1 million of merchandise stored in the New York Terminal Warehouse for the account of Kresge under the Spring 1971 Program, Topper established a reserve of $500,000.

Q. 165. On the basis of its auditing, Arthur Young concluded that Topper's shipments of goods under the Spring 1971 Program to New York Terminal Warehouse for the accounts of customers in December, 1970, as well as the shipments of the goods in transit from the Orient to the New York Terminal Warehouse for the accounts of customers as of December 31, 1970, were properly reported, and were required to be reported, as sales on Topper's 1970 financial statements.

A. 165. Deny the matters set forth in Request 165, except admit that Arthur Young concluded that goods shipped by Topper to the New York Terminal Warehouse under the Spring 1971 Program were properly reported as "net sales" in the amount of approximately $4.5 million; this was less a $1.5 million reserve established against 100% of the profit attributable to merchandise stored in the New York Terminal Warehouse on December 31, 1970.

Q. 165. By April 22, 1971, Arthur Young knew that during the first quarter of 1971, Topper shipped $1,013,707.54 of merchandise to the New York Terminal Warehouse (PX 1000).

A. 166. Admit the matters set forth in Request 166.

Q. 167. During the 1970 audit Arthur Young knew that to induce sales in 1971, among other reasons, Topper offered to arrange for the warehousing of merchandise sold to many customers as part of its sales program to such customers at the 1971 Toy Fair and that during 1971 Topper arranged for warehousing facilities at outside locations.

A. 167. Admit the matters set forth in Request 167.

Q. 168. Prior to April 29, 1971, Arthur Young knew that approximately $5.8 million of the approximately $7.0 million of merchandise shipped to the New York Terminal Warehouse in late 1970 and the first quarter of 1971 remained in the said warehouse.

A. 168. Admit the matters set forth in Request 168.

F. Kresge

Q. 169. During the 1970 audit Arthur Young knew that Kresge was Topper's largest customer.

A. 169. Admit the matters set forth in Request 169.

Q. 170. During the 1970 audit Arthur Young knew that in 1970 Topper permitted Kresge to return approximately 50% of the merchandise which had been shipped to the New York Terminal Warehouse for Kresge's account in 1969 and recorded as a sale in 1969.

A. 170. Admit the matters set forth in Request 170.

Q. 171. During the 1970 audit Arthur Young knew that one major reason Topper permitted Kresge to return approximately 50% of the New York Terminal merchandise in 1970 was to induce Kresge to place further orders.

A. 171. Admit the matters set forth in Request 171.

Q. 172. During the 1970 audit Pierce, Rose and Schwartz informed Arthur Young that Topper permitted Kresge to return approximately 50% of the merchandise which had been transferred to the New York Terminal Warehouse in 1969 as a marketing decision within Topper's own discretion and that Kresge did not have the right to return the merchandise at the time the sale was made. Rose further stated to Arthur Young that such a return would not happen again, that all Topper's sales were final, and that Topper had no intention of taking back any good merchandise, except for minor balancing of inventory.

A. 172. Deny the matters set forth in Request 172, except admit that during the 1970 audit, Topper officials informed Arthur Young that Topper permitted Kresge to return approximately 50% of the merchandise which had been stored in the New York Terminal Warehouse in 1969 to induce Kresge to place further orders; Arthur Young was further informed by Mr. Rose that Topper had established a reserve of approximately $500,000 against 100% of the profit attributable to the $1 million in Kresge merchandise stored in the New York Terminal Warehouse under the Spring 1971 Program to protect against similar returns in 1971.

Q. 173. During the 1970 audit Arthur Young examined Topper's Kresge customer files, and discovered nothing which it believed indicated Kresge had the right to return or exchange merchandise purchased from Topper.

A. 173. Deny the matters set forth in Request 173, except admit that during the 1970 audit Arthur Young examined Topper's file of Kresge purchase orders in connection with auditing merchandise stored in the New York Terminal Warehouse under the Spring 1971 Program; the Kresge order examined by Arthur Young in this connection, Blanket Order #33 in the amount of $999,930.05, stated, as other Kresge orders typically stated:

> "This order may be adjusted at S. S. Kresge's discretion at any time, exchange any mdse. dollar for dollar. This order may not be shipped to Kresge Co. Store until Kresge Company gives shipping instructions."

Q. 174. By April 29, 1971, Arthur Young believed that Kresge had, in April, 1971, paid the approximately $1 million it owed on its Spring 1971 Program invoices.

A. 174. Deny the matters set forth in Request 174, except admit that as of April 20, 1971 Arthur Young knew that Kresge had, during the first quarter of 1971, paid $1 million and received a credit of $310,000 against an outstanding "regular" accounts receivable balance as of March 31, 1971 of $1,613,664.60; and that as of April 20, 1971, Kresge had an outstanding "regular" receivable balance of $310,000 and an outstanding "extended dating" receivable balance of $999,930.05.

G. Spring 1971 Program

Q. 175. During the 1970 audit, Arthur Young knew that Topper had, in December, 1969, made approximately $2 million worth of sales on extended credit terms of 5 months ("Spring 1970 Program").

A. 175. Admit the matters set forth in Request 175.

Q. 177. During the 1970 audit, Arthur Young knew that, during November and December, 1970, Topper made approximately $16 million worth of sales on extended credit terms of 5 to 8 months ("Spring 1971 Program").

A. 177. Deny the matters set forth in Request 177, except admit that during the 1970 audit, Arthur Young knew that during December 1970 Topper made approximately $15 million worth of sales on extended credit of five to eight months.

Q. 178. During the 1970 audit Arthur Young took extended auditing steps (i.e., steps additional to those prescribed as normal by Arthur Young or the American Institute of Certified Public Accountants standards) to audit the Spring 1971 Program.

A. 178. Deny the matters set forth in Request 178, except admit that during the 1970 audit, Arthur Young took extended auditing steps to audit merchandise stored in The New York Terminal Warehouse under the Spring 1971 Program, as well as to verify the shipment of merchandise from the Orient under the Spring 1971 Program; in addition, Arthur Young requested that Topper customers separately confirm the "correctness" of all extended dating "invoices" under the Spring 1971 Program.

Q. 179. These extended auditing steps were used because the Spring 1971 Program represented a material amount of Topper's 1970 sales and receivables and because Arthur Young surmised, based upon its prior experience, that under normal procedures, a relatively small percentage of Topper's customers would confirm accounts receivable.

A. 179. Deny the matters set forth in Request 179, except admit that Arthur Young adopted extended auditing steps to audit merchandise stored in the New York Terminal Warehouse under the Spring 1971 Program because of the materiality and "unusual" nature of the warehouse program; extended auditing steps were also adopted by Arthur Young with respect to merchandise shipped from the Orient under the Spring 1971 Program because of the timing and materiality of such shipments; and Arthur Young asked Topper customers to separately confirm the "correctness" of the extended dating "invoices" under the Spring 1971 Program because the alternative procedure for confirming receivables -- namely, auditing the amount of cash received from customers with outstanding receivable balances -- was inadequate in light of the extended dating terms of the Spring 1971 Program.

Q. 180. Included in these extended auditing steps was the sending of confirmation of receivables requests to all customers who purchased merchandise pursuant to the Spring 1971 Program, requesting confirmation not only of the total balance owed Topper by the customer but also, separately of the balance attributable to the Spring 1971 Program. To assist these customers in confirming this Spring 1971 Program balance, copies of the invoices reflecting the customers' purchases under the program were attached to the confirmation request. The confirmation request itself stated:

> "It is extremely important to us that you confirm separately to our auditors the correctness of these invoices (i.e. invoices attributable to the Spring 1971 Program). For your convenience we have enclosed a statement of your account indicating the balance due under regular and extended dating. We have also included copies of all invoices carrying extended dating."

A. 179. Deny the matters set forth in Request 179, except admit that Arthur Young adopted extended auditing steps to audit merchandise stored in the New York Terminal Warehouse under the Spring 1971 Program because of the materiality and "unusual" nature of the warehouse program; extended auditing steps were also adopted by Arthur Young with respect to merchandise shipped from the Orient under the Spring 1971 Program because of the timing and materiality of such shipments; and Arthur Young asked Topper customers to separately confirm the "correctness" of the extended dating "invoices" under the Spring 1971 Program because the alternative procedure for confirming receivables -- namely, auditing the amount of cash received from customers with outstanding receivable balances -- was inadequate in light of the extended dating terms of the Spring 1971 Program.

Q. 180. Included in these extended auditing steps was the sending of confirmation of receivables requests to all customers who purchased merchandise pursuant to the Spring 1971 Program, requesting confirmation not only of the total balance owed Topper by the customer but also, separately of the balance attributable to the Spring 1971 Program. To assist these customers in confirming this Spring 1971 Program balance, copies of the invoices reflecting the customers' purchases under the program were attached to the confirmation request. The confirmation request itself stated:

> "It is extremely important to us that you confirm separately to our auditors the correctness of these invoices (i.e. invoices attributable to the Spring 1971 Program). For your convenience we have enclosed a statement of your account indicating the balance due under regular and extended dating. We have also included copies of all invoices carrying extended dating."

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A. 180. Deny the matters set forth in Request 180, except admit that Arthur Young requested customers who purchased merchandise pursuant to the Spring 1971 Program to confirm not only the total balance owed Topper by the customer, but the "invoice" attributable to the Spring 1971 Program as well. To assist these customers in confirming the amount "invoiced" under the Spring 1971 Program, copies of invoices reflecting customer purchases under that program were attached to the confirmation request. The confirmation request itself stated:

> "Included in the above amount are invoices carrying extended dating amounting to $________. It is extremely important to us that you confirm separately to our auditors the correctness of these invoices. For your convenience, we have enclosed a statement of your account indicating the balance due under regular and extended dating. We have also included copies of all invoices carrying extended dating."

Q. 181. Also included in the extended auditing steps were: inspection of invoices; tracing of invoices to orders and other supporting documents; testing of purchase orders; examination of the Warehouse Agreements; obtaining and examination of a legal opinion from White & Case with regard to merchandise shipped directly from the Orient; a confirmation request to the customs broker regarding merchandise shipped directly from the Orient; and testing of bills of lading and other shipping documents.

A. 181. Deny the matters set forth in Request 181, except admit that included in the extended auditing steps adopted by Arthur Young with respect to merchandise stored in the New York Terminal Warehouse under the Spring 1971 Program were a review of the amount of merchandise returned by Kresge under a comparable program in 1969, a review of the merchandise stored in the New York Terminal Warehouse by customer and toy item, a review of confirmations and cash received from customers who had merchandise stored in the New York Terminal Warehouse, an examination of the Spring Promotion Warehouse Agreements, an inspection of the letters between NYTCO and customers granting Topper the right to remove merchandise from the New York Terminal Warehouse, a review of customer order forms for merchandise stored in the New York Terminal Warehouse, a comparison of invoices to customer orders for merchandise stored in the New York Terminal Warehouse, and a review of the resolution adopted by the Topper Board of Directors authorizing the storage of merchandise in the New York Terminal Warehouse; additionally, with regard to merchandise shipped from the Orient under the Spring 1971 Program, Arthur Young examined a legal opinion from White & Case with regard to passage of title of such merchandise, reviewed a confirmation request to the customs broker regarding merchandise shipped directly from the Orient, and tested bills of lading and other shipping documents relating to such merchandise.

Q. 182. In connection with these extended auditing procedures, Arthur Young requested that Topper furnish it with all agreements, contracts, paperwork and other documents associated with the Spring 1971 Program. Rose, Obolsky, Schwartz and Pierce represented to Arthur Young in January or February, 1971, that the documents furnished to Arthur Young constituted all such agreements, contracts, paperwork and other documents. The files provided Arthur Young in this connection were on the second floor of Topper's executive office building.

A. 182. Deny the matters set forth in Request 182, except admit that in connection with the extended auditing procedures set forth in Requests 178 through 181, Arthur Young requested that Topper furnish it with all documents necessary to perform the extended auditing steps adopted by Arthur Young; Topper officials stated during the course of the 1970 audit that all documents required by Arthur Young to perform its extended auditing steps were available for its review and inspection; and that certain files reviewed by Arthur Young in the course of performing its extended auditing procedures were located on the second floor of Topper's executive office building.

Q. 183. During the 1970 audit Arthur Young knew that at least $11 million of merchandise invoiced under the Spring 1971 Program was comprised of the Dawn line of toy dolls and accessories introduced at the 1970 Toy Fair.

A. 183. Deny the matters set forth in Request 183, except admit that during the course of the 1970 audit, Arthur Young looked at $13 million of the $16 million of merchandise booked under the Spring 1971 Program and knew that at least $11 million of the $13 million in merchandise stored in the New York Terminal warehouse or shipped from the Orient under the Spring 1971 Program was comprised of the Dawn line of toy dolls and accessories introduced at the 1970 Toy Fair; Arthur Young did not analyze and therefore did not know what toy items were shipped directly to customers from its Elizabeth, New Jersey plant under the Spring 1971 Program.

Q. 184. During the 1970 audit, Arthur Young believed consumer demand for the Dawn line of toy dolls and accessories was "considerable".

A. 184. Plaintiffs have made reasonable inquiries and information known or readily obtainable by plaintiffs is insufficient to enable them to admit or deny Request 184 as stated, except that plaintiffs admit that Arthur Young believed during the course of the 1970 audit that customer demand for the Dawn line of dolls and accessories had been "considerable" during 1970.

Q. 185. During the 1970 audit Arthur Young knew that after allowing for provisions and accruals of approximately $2 million, the Spring 1971 Program accounted for approximately 22 percent of Topper's net sales for the fiscal year ending December 31, 1970 and that the comparable amount for 1969 was approximately $2 million in extended dating sales which amounted to approximately 4 percent of Topper's net sales for 1969.

A. 185. Admit the matters set forth in Request 185.

Q. 186. During the 1970 audit Arthur Young knew that during the last four days of 1970, Topper shipped and recorded approximately $6.3 million, or approximately 10%, of its net sales for 1970, with approximately $4 million, or approximately 6%, coming on December 31, 1970 (PX 467) and that these sales represented merchandise aboard ships leaving the Orient on those days.

A. 186. Admit the matters set forth in Request 186.

Q. 187. During the 1970 audit Arthur Young knew that, among other reasons, in order to induce purchases under the Spring 1971 Program, Topper offered customers who ordered prior to December 31, 1970 an additional discount of 10%.

A. 187. Admit the matters set forth in Request 187.

Q. 188. During the 1970 audit Arthur Young knew that Topper reported the Spring 1971 Program sales in 1970 and also reported a net profit from continuing operations for the fiscal year ending December 31, 1970 of $353,127.

A. 188. Admit the matters set forth in Request 188.

Q. 189. During the 1970 audit Arthur Young believed that without sales reported under the Spring 1971 Program, Topper would have reported a loss for the year ended December 31, 1970.

A. 189. Admit the matters set forth in Request 189.

Q. 190. During the 1970 audit Topper represented to Arthur Young that customers who purchased merchandise pursuant to the Spring 1971 Program had no right to return or exchange that merchandise, and the auditing done by Arthur Young indicated nothing contrary to this representation.

A. 190. Deny the matters set forth in Request 190, except admit that Topper represented to Arthur Young during the course of the 1970 audit that merchandise sold to customers pursuant to the Spring 1971 Program was not sold on a "consignment" or "guaranteed sale" basis; that auditing procedures adopted by Arthur Young did not indicate that the Spring 1971 Program merchandise was sold on a "consignment" or "guaranteed sale" basis; and that at least two Topper customers, Kresge and Washington Distributors, had purchased merchandise pursuant to the Spring 1971 Program subject to the right to exchange such merchandise in 1971 on a dollar-for-dollar basis.

Q. 191. As a result of its auditing, Arthur Young determined that the sales made pursuant to the Spring 1971 Program were properly reported, and were required to be reported, as sales on Topper's 1970 financial statements.

A. 191. Deny the matters set forth in Request 191, except admit that Arthur Young certified Topper's 1970 financial statements knowing that Topper had included $16 million of sales under the Spring 1971 Program in the 1970 statements, less reserves and accruals for discounts and returns of approximately $2 million.

Q. 192. At a meeting between representatives of Topper and representatives of Arthur Young on February 1, 1971, Arthur Young stated that a "substantial" reserve had to be established against the Spring 1971 Program sales of $16 million. Rose opposed this, stating that all Topper's sales were final and that Topper had no intention of taking any of the goods back. He repeated that the returns allowed Kresge of merchandise purchased in 1969 were due to a marketing decision by Topper and would not happen again.

A. 192. Plaintiffs have made reasonable inquiries and information known or readily obtainable by plaintiffs is insufficient to enable them to admit or deny Request 191, except plaintiffs admit that Rose informed Arthur Young ~~that~~ Topper permitted Kresge to return merchandise purchases in 1969 due to a marketing decision.

Q. 193. On February 8 or 9, 1971, another meeting between Topper representatives and Arthur Young representatives was held. Once again Arthur Young stated that a substantial reserve against the Spring 1971 Program sales was required, and once again Rose disagreed, stating that all Topper's sales were final and Topper had no intention of taking any goods back. Finally, Rose produced a calculation of a reserve based on the profit on the sale of the goods in the New York Terminal Warehouse as of December 31, 1970, which reserve was in the amount of $1,457,178.60. Arthur Young agreed that this reserve was sufficient in amount.

A. 193. Plaintiffs have made reasonable inquiries and information known or readily obtainable by them is insufficient to enable plaintiffs to admit or deny Request 193, except plaintiffs admit that at some time in February 1971 Rose informed representatives of Arthur Young that Topper had established a reserve $1,457,178.60 against merchandise stored in the New York Terminal Warehouse and, in connection therewith, made available a calculation of the $1,457,178.60 reserve which was based on 100% of the profit attributable to merchandise in the New York Terminal Warehouse as of December 31, 1970; the calculation was reviewed by Arthur Young and incorporated in its workpapers for the 1970 audit. Arthur Young agreed that this reserve was sufficient in amount.

Q. 194. Plaintiffs have made reasonable inquiries and information known or readily obtainable by them is insufficient to enable plaintiffs to admit or deny Request 194, except plaintiffs admit that some time in late February 1971, after Topper informed representatives of Arthur Young that a reserve had been established against merchandise stored in the New York Terminal Warehouse, Mr. Botte of Arthur Young informed Mr. Rose that Arthur Young believed that this reserve was sufficient to provide for returns under the entire Spring 1971 Program.

A. 194. On February 18, 1971, representatives of Arthur Young and Topper again met. At this meeting Botte told Rose that the $1,457,178.60 reserve was to provide for returns and all other contingencies regarding all of the Spring 1971 Program sales.

Q. 195. No other reserve, provision or accrual established in connection with Topper's 1970 financial statements was decreased as a result of the establishment of the $1,457,178.60 reserve against the Spring 1971 Program sales.

A. 195. Deny the matters set forth in Request 195, except admit that Topper established the reserve of $1,457,178.60 for merchandise stored in the New York Terminal Warehouse as of December 31, 1970 independent of other reserves, provisions and accruals established in connection with its 1970 financial statements.

Q. 196. During drafting sessions for Topper's 1971 S-1 registration statement in preparation for the April 29, 1971 public offering of Topper common stock, Hayden Stone questioned Topper, Arthur Young, and White & Case regarding the Spring 1971 Program. In response, it was stated that sales under the program were final, with no rights of return or exchange. Arthur Young explained the accounting treatment given the program and the auditing procedures employed to audit it. It was stated that this was not a "one shot deal", but rather a program intended to continue over the years so as to lessen the seasonality of Topper's sales.

A. 196. Deny the matters set forth in Request 196, except admit that during drafting sessions for the Topper 1971 S-1 registration statement in preparation for the April 29, 1971 public offering of Topper stock, representatives of Hayden Stone questioned representatives of Topper, Arthur Young and White & Case regarding the Spring 1971 Program. Mr. Rose explained the reserves established against the program, Arthur Young explained the extended auditing steps it adopted in connection with the various components of the Program, and White & Case explained a legal opinion it rendered in connection with the merchandise shipped from the Orient. In response to the Hayden Stone questions, it was stated that:

(a) the Spring 1971 Program amounted to $16 million, but that reserves and accruals of approximately $2 million had been established to provide for returns and other discounts under the Program;

(b) Topper had not in the past conducted a spring promotion of such size and on such favorable terms;

(c) Topper's continued operations would have operated at a loss in 1970 had these sales not materialized;

(d) the Spring 1971 Program consisted principally of 1970 Dawn dolls and accessories sold to jobbers at reduced prices;

(e) approximately $9.5 million of the extended dating receivables were due in May 1971 and $6.5 million were due in August 1971;

(f) a portion of the merchandise sold under the Spring 1971 Program was stored in the New York Terminal Warehouse;

(g) Arthur Young had employed extended auditing procedures for merchandise stored in the New York Terminal Warehouse or shipped from the Orient under the Spring 1971 Program; and

(h) Topper was continuing to sell significant amounts of merchandise on extended dating terms during the first quarter of 1971.

Q. 197. Arthur Young required Topper to disclose the Spring 1971 Program in a separate footnote (footnote 3) to Topper's 1970 financial statements. This footnote was drafted by Arthur Young.

A. 197. Plaintiffs have made reasonable inquiries and information known or readily obtainable by them is insufficient to enable plaintiffs to admit or deny Request 197, except that plaintiffs admit that Note 3 to Topper's 1970 Consolidated Financial Statements stated:

> "Approximately $14,000,000 of sales made in December 1970 carried extended credit terms of five to eight months. The comparable amount for the prior year was $2,000,000."

Q. 198. Prior to April 29, 1971, Arthur Young knew that during the first quarter of 1971, Topper invoiced at least $1 million in additional extended dating sales.

A. 198. Admit the matters set forth in Request 198.

H. Container Shipments

Q. 199. During the 1970 audit, Arthur Young knew that approximately $10 million of sales reported by Topper under the Spring 1971 Program consisted of shipments, in November or December, 1970, from the Orient directly to customers or to New York Terminal Warehouse and an independent warehouse in Clearfield, Utah for the accounts of customers, pursuant to contracts with the respective customers.

A. 199. Deny the matters set forth in Request 199, except admit that during the 1970 audit Arthur Young knew that approximately $10 million of sales reported by Topper under the Spring 1971 Program consisted of shipments, beginning on November 30, 1970 and continuing through December 31, 1970, from the Orient directly to customers or to the New York Terminal Warehouse o another non-customer warehouse in Clearfield, Utah.

Q. 200. During the 1970 audit, Arthur Young acquired the following information with regard to the sales consisting of shipments from the Orient and the contracts pertaining thereto:

(a) No quantities of goods were mentioned in the contract;

(b) No sale price was mentioned in the contract:

(c) With regard to the merchandise delivered to the New York Terminal Warehouse, Topper assumed the cost of warehousing until 9/1/71 (except that customers whose merchandise was delivered to the New York Terminal Warehouse received an additional 3% discount rather than the 10% additional discount which was given to other Spring 1971 Program customers);

(d) Title passed the day following the vessel's departure from port;

(e) Topper paid all freight from Hong Kong to terminal warehouse;

(f) Topper assumed the risk for loss while the goods were on the open sea - risk in U.S.A. was on the buyer;

(g) With regard to the merchandise delivered to the New York Terminal Warehouse, the buyer was not required to remove the goods until 9/1/71;

(h) With regard to the merchandise delivered to the New York Terminal Warehouse, Topper had the right, upon its request, to remove buyer's goods from the warehouse;

(i) With regard to the merchandise delivered to the New York Terminal Warehouse, the agreement in (h) did not give Topper any right to possession until the buyer authorized the removal.

A. 200. Admit the matters set forth in Request 200, except deny:

(a) that the customer statements purporting to authorize shipment of the merchandise from the Orient or storage of the merchandise in the New York Terminal Warehouse were "contracts"; and

(b) under subparagraph (i), that Topper had no "right to possession until the buyer authorized the renewal" of the merchandise from the warehouse, except plaintiffs admit that NYTCO was required to inform the customer that Topper had removed merchandise from the New York Terminal Warehouse within seven business days after that removal.

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Q. 201. With regard to the sales and receivables attributable to the merchandise shipped from the Orient, Arthur Young employed the following auditing procedures: inspecting invoices; inspecting receivable confirmations from customers; verifying goods shipped and testing them to orders and other documents; confirmation request to the customs broker; examining documents at the customs broker; obtaining and examining legal opinion from White & Case regarding the sales; and verifying costs accrued in connection with the sales.

A. 201. Admit the matters set forth in Request 201.

Q. 202. In the course of its auditing procedures pertaining to the sales and receivables attributable to merchandise shipped from the Orient, Arthur Young learned of the dates and times on which the vessels carrying the merchandise left the Orient. These vessels included several which left on December 31, 1970, Hong Kong time, and one, the President Taylor, which left at 9:00 A.M. on January 1, 1971, Hong Kong time, which was 8:00 P.M. on December 31, 1970, New Jersey time.

A. 202. Admit the matters set forth in Request 202.

Q. 203. As a result of its auditing procedures, Arthur Young determined that all sales and receivables attributable to merchandise on the President Taylor, were properly so reported as 1970 sales and receivables.

A. 203. Deny the matters set forth in Request 203, except ad[illegible] that Arthur Young knew that the President Taylor left Hong Kong at 9:00 A.M. on January 1, 1971; that customers who had merchandise aboard the President Taylor agreed to accept title to the merchandise one day out of port; that title thus passed at

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9:00 A.M. on January 2, 1971 (Hong Kong time) or 8:00 P.M. January 1, 1971 (New Jersey time); that the $353,000 in sales aboard the President Taylor were included in Topper's 1970 financial statements; and that Arthur Young certified the 1970 financial statements with knowledge of the foregoing.

I. Redating

Q. 204. During the 1970 audit, Arthur Young knew that during 1970 and 1971, Topper in certain instances redated (extended the due date for) payment of merchandise sold by Topper in 1969 and 1970, respectively.

A. 204. Admit the matters set forth in Request 204.

Q. 205. Prior to April 29, 1971, Arthur Young knew that in early 1971 Topper agreed to redate or otherwise extend approximately $2,200,000 of the $16.5 million in non-Spring 1971 Program receivables reflected on Topper's December 31, 1970 Consolidated Balance Sheet.

A. 205. Admit the matters set forth in Request 205.

J. Concessions

Q. 206. During the 1970 audit, Arthur Young knew that Topper, on certain occasions and to certain customers, made certain concessions for various reasons.

A. 206. Admit the matters set forth in Request 206.

Q. 207. During the 1970 audit, Arthur Young knew that during 1970, Topper permitted certain customers under certain circumstances to return certain amounts of non-defective, unsold merchandise for credit.

A. 207. Admit the matters set forth in Request 207.

Q. 208. During the 1970 audit, Arthur Young knew that during the years 1969 through 1971, Topper issued credits to certain customers for, among other things, rebates, markdown allowances, price adjustments, and advertising allowances and that some portion of these credits was granted, among other reasons, to assist customers who were unable to sell a portion of their inventory of Topper merchandise.

A. 208. Admit the matters set forth in Request 208.

Q. 209. During the 1970 audit, Arthur Young knew that one purpose of issuing certain credits was to induce customers to continue to do or to increase their business with Topper.

A. 209. Admit the matters set forth in Request 209.

K. Receivable Auditing

Q. 210. During the 1970 audit, Arthur Young caused confirmation of receivables requests to be sent to all customers having a receivable balance with Topper as of December 31, 1970 of $1000 or more.

A. 210. Admit the matters set forth in Request 210.

Q. 211. In addition, all customers who purchased merchandise pursuant to the Spring 1971 Program were requested to confirm their Spring 1971 Program receivable balances separately, were provided with invoices to assist them in doing so, and were told that such confirmation was "extremely important".

A. 211. Deny the matters set forth in Request 211, except admit that Arthur Young requested customers who purchased merchandise pursuant to the Spring 1971 Program to confirm not only the total balance owed Topper by the customer, but the "invoice" attributable to the Spring 1971 Program as well. To assist these customers in confirming the amount "invoiced" under the Spring 1971 Program, copies of invoices reflecting customer purchases under the Program were attached to the confirmation request. The confirmation request itself stated:

> "Included in the above amount are invoices carrying extended dating amounting to $_________. It is extremely important to us that you confirm separately to our auditors the correctness of these invoices. For your convenience, we have enclosed a statement of your account indicating the balance due under regular and extended dating. We have also included copies of all invoices carrying extended dating."

Q. 212. American Toy Company sent in a confirmation stating it owed much less than Topper's books showed and failing to acknowledge its Spring 1971 Program receivables. As a result, Arthur Young spoke with Rose and was informed American Toy was an "obstinate" customer, much like Pensick & Gordon, and that Topper's books were right. Arthur Young did further testing and discovered that American Toy had received delivery of the goods listed on the invoice which comprised substantially all of American Toy's Spring 1971 Program purchases.

A. 212. Deny the matters set forth in Request 212, except admit that during the course of the 1970 audit, Arthur Young received a confirmation response from the American Toy Company which stated that the $128,433.84 of extended dating invoices were not included in its records as of December 31, 1970. Following receipt of this confirmation response, Mr. Zoll of Arthur Young spoke with Mr. Rose of Topper who stated that Topper had "problems" with American Toy, as it did with Pensick & Gordon, another Topper customer; that "the customer [American Toy] take discounts not allowed and then won't pay the discount when requested"; and that Topper might have to sue American Toy to collect, but feared if it did so, American Toy "may retaliate by selling Dawn line products at low prices, taking a loss just for spite to hurt Topper on the west coast." Arthur Young further learned that American Toy had received delivery of the extended dating merchandise sometime in 1971. An Arthur Young paper prepared subsequent to February 16, 1971 listed the American Toy account as an "uncleared exception".

Q. 213. Kresge confirmed its Spring 1971 Program receivable balance.

A. 213. Deny the matters set forth in Request 213, except admit that Kresge confirmed that its Spring 1971 Program "invoices" were "correct".

Q. 214. As of February 18, 1971, cash received by Topper in payment of December 31, 1970 receivables plus clean or cleared confirmations received by Arthur Young covered approximately 70% of Topper's December 31, 1970 receivable balance. The percentage for the Spring 1971 Program receivable balance was 71%.

A. 214. Deny the matters set forth in Request 214, except admit that as of February 13, 1971, the amount of cash received by Topper in payment of December 31, 1970 receivables plus the dollar amount of clean or cleared confirmations received by Arthur Young added together, without adjusting for duplications, amounted to approximately 70% of Topper's December 31, 1970 receivable balance. The comparable percentage for the Spring 1971 Program receivable balance was 71%.

L. Reserves

Q. 215. During the 1970 audit, Arthur Young knew that at least at the end of 1969 and 1970 Topper accrued or reserved for the amount of credits it estimated would be granted customers for returns, discounts, rebates and allowances above and beyond the amount of credits already granted and recorded on its financial books and records.

A. 215. Admit the matters set forth in Request 215.

Q. 216. During the 1970 audit, Arthur Young knew that the total amount of allowances, provisions, accruals and reserves deducted by Topper from gross sales in calculating net sales for the year ended December 31, 1969 was $4,688,949, and for the year ended December 31, 1970 was $6,551,870.

A. 216. Admit the matters set forth in Request 216.

Q. 217. During the 1970 audit Arthur Young knew that the amount of Topper's gross sales, net sales and the difference between gross sales and net sales for the period 1965 through 1970 and the percentage that the difference between gross sales and net sales bore to gross sales for such years were as follows (000 omitted):

Period Ending	Gross Sales	Difference between Gross Sales and Net Sales	Net Sales	Difference between Gross Sales and Net Sales
1965	$70,008	$12,073	$57,935	17.2%
1967*	37,162	6,289	30,873	16.9%
1967**	35,458	5,165	30,293	14.6%
1968	41,303	6,267	35,036	15.2%
1969	62,541	8,818	53,723	14.1%
1970	83,272	18,894	64,378	22.7%

A. 217. Admit the matters set forth in Request 217.

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* Thirteen month period from January 1, 1966 through February 4, 1967.

** Eleven month period from February 5, 1967 through December 31, 1967.

Q. 218. During the 1970 audit Arthur Young knew that the receivables reported on Topper's 1970 financial statements were net of the following reserves, provisions or accruals:

(a) reserve for returns

(b) reserve for uncollectible accounts

(c) reserve for discounts and allowances

(d) reserve for rebates and advertising

(e) reserve of $1,457,176.60 against the Spring 1971 Program sales.

Arthur Young determined that separate disclosure in Topper's 1970 financial statements of items (a), (c), (d) and (e) was not required.

A. 218. Admit the matters set forth in subparagraphs (a), (b), (c) and (d) of Request 218; and deny subparagraph (e) thereof, and the sentence following subparagraph (e), except admit:

(a) with respect to subparagraph (e), that

Q. 219. Prior to certifying the 1970 financial statements Arthur Young audited the adequacy of each of the reserves set forth in Request 218 and concluded that they were adequate.

A. 219. Deny the matters set forth in Request 219, except admit that Arthur Young adopted certain audit procedures with respect to the reserves set forth in Request 218, as modified by plaintiffs' response to Request 218, and certified the financial statements which provided for such reserves.

Q. 220. During the 1970 audit Arthur Young knew that the reserve for returns established against Topper's receivables on its December 31, 1970 financial statements was, as it had been at December 31, 1969, $1 million.

A. 220. Admit the matters set forth in Request 220.

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Q. 221. Arthur Young tested the adequacy of the reserve for returns by, among other things, examining the IBM return authorization run, controlling credit memoranda for the first two months of 1971, and checking allowances claimed on receivable confirmations.

A. 221. Deny the matters set forth in Request 221, except admit that Arthur Young examined the Topper IBM return authorization run, traced several customer accounts receivable confirmation responses which indicated that customers were returning merchandise to the IBM return authorization run for these customers, and determined that the 1969 reserve for returns of $1 million had been underaccrued by $200,000.

Q. 222. During the 1970 audit Arthur Young knew that actual returns between March 17, 1969 and March 16, 1970 had been $1,596,978, and that actual returns between March 21, 1969 and March 20, 1970 had been $1,721,847.

A. 222. Admit the matters set forth in Request 222.

Q. 223. During the 1970 audit Arthur Young knew that Topper's reserve for uncollectible accounts was the same on Topper's 1970 financial statements as it had been on Topper's 1969 financial statements. In determining the adequacy of Topper's reserve for uncollectible accounts, Arthur Young took into account the fact that the amount of Topper's receivables 90 days or more past due had doubled between December 31, 1969 and December 31, 1970.

A. 223. Deny the matters set forth in Request 223, except admit that during the 1970 audit, Arthur Young knew that Topper's reserve for uncollectible accounts was the same on Topper's 1970 financial statements as it had been on Topper's 1969 financial statements; Arthur Young was also aware that the amount of Topper's reserves 90 days or more past due had doubled between December 31, 1969 and December 31, 1970.

Q. 224. Between December 31, 1969 and December 31, 1970, Topper's reserve for uncollectible accounts increased as a percentage of non-Spring Program receivables.

A. 224. Admit the matters set forth in Request 224.

M. Citibank

Q. 228. During the 1970 audit, Arthur Young knew that at least for some period of time Citibank did not accept receivables due in August 1971, under the Spring 1971 Program (approximately $6.5 million), as eligible collateral for advances to Topper.

A. 228. Admit the matters set forth in Request 228.

Q. 230. In connection with the 1970 audit, Yonkers represented the following to Arthur Young in writing on February 23, 1971:

(a) Accounts and notes receivable are correctly described in the records and represent valid claims, due in one year, against the debtors indicated and do not include amounts for goods shipped on consignment or approval.

(b) Adequate provision has been made for losses, costs or expenses which may be incurred with respect to sales made on or prior to December 31, 1970, including losses from uncollectible accounts, discounts, returns and allowances, commissions, transportation allowances and other allowances or claims. As of this date, no losses or concessions of any material amount have developed or are contemplated that have not been provided for as of December 31, 1970.

(c) There are no material contingent assets, liabilities, or accountabilities not recorded in a ledger account nor disclosed in the notes to the financial statements.

(d) No events or transactions have occurred since December 31, 1970, or are pending or in prospect which would have a material effect upon the financial statements at that date or which are of such significance in relation to the Company's affairs as to require mention in footnotes to the financial statements in order to make them not misleading as to the financial position or operations of the Company.

A. 230. Admit the matters set forth in Request 230.

O. Arthur Young's Report

Q. 231. At the completion of the 1970 audit, Arthur Young rendered and subscribed to the following report which was included in the April 29, 1971 prospectus:

> "We have examined the accompanying consolidated balance sheet of Topper Corporation at December 31, 1970 and the related consolidated statements of operations, earned surplus and capital surplus for the three years and eleven months then ended and the consolidated statement of source and application of funds for the three years ended December 31, 1970. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.
>
> In our opinion, the statements mentioned above present fairly the consolidated financial position of Topper Corporation at December 31, 1970, the consolidated results of operations for the three years and eleven months then ended and the source and application of its consolidated funds for the three years then ended, in conformity with generally accepted accounting principles applied on a consistent basis during the period."

A. 231. Admit the matters set forth in Request 231.

Q. 232. Under the heading "Experts" the April 29, 1971 prospectus stated:

> "The consolidated balance sheet of the Company at December 31, 1970 and the related consolidated statements of operations and earned surplus and capital surplus for the three years and eleven months then ended and the source and application of funds for the three years then ended have been examined by Arthur Young & Company, certified public accountants, as set forth in their report appearing elsewhere in this Prospectus and are included herein and in the Registration Statement in reliance upon such report and upon the authority of such firm as experts."

A. 232. Admit the matters set forth in Request 232.

P. 1971 Cold Comfort Review and work thereafter.

Q. 233. Prior to April 29, 1971, Arthur Young knew that Topper accepted or agreed to accept approximately $2 million in merchandise returns or exchanges during the first quarter of 1971.

A. 233. Admit the matters set forth in Request 233.

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Q. 234. During Arthur Young's review of Topper's March 31, 1971 financial statements, Arthur Young updated its review of cash receipts and confirmations applicable to Topper's December 31, 1970 receivable balances. The result was cash receipts or clean or clear confirmations covering approximately 75% of that balance.

A. 234. Deny the matters set forth in Request 234, except admit that a part of its interim review of Topper's March 31, 1971 unaudited financial statements, Arthur Young reviewed the amount of cash received by Topper in payment of December 31, 1970 receivables and added to that sum the dollar amount of clean or cleared confirmations received by Arthur Young: these two sums together, without any adjustment for duplications, amounted to approximatly 75% of the December 31, 1970 receivable balance.

Q. 236. Prior to April 29, 1971, Arthur Young concluded that the major part of receivables, redated by Topper in 1970, had been paid by customers.

A. 236. Admit the matters set forth in Request 236.

Q. 238. As a result of Arthur Young's review of Topper's March 31, 1971 financial statements, Arthur Young issued the "Cold Comfort" letter that has been marked herein as Hayden Stone Exhibit Zoll 1 for identification.

A. 238. Admit the matters set forth in Request 238.

Q. 240. In connection with the Private Placement, Arthur Young opined to the Topper Board of Directors that the accrued for Federal income taxes included in Topper's December 31, 1970 consolidated balance sheet was fairly stated in all respects material to the consolidated balance sheet as a

A. 240. Admit the matters set forth in Request 240.

Q. Discovery

Q. 241. On or about January [illegible], 1972, Arthur Young learned for the first time about the letters sent to customers by Topper in November or December 1971, giving the recipient customers the right to exchange merchandise purchased under the Spring 1971 Program. Copies of the letters were delivered to Arthur Young by Rose, who stated he had just recently become aware of them.

A. 241. Admit the matters set forth in Request 241.

Q. 244. Plaintiffs have not sued Arthur Young in connection with the Private Placement.

A. 244. Admit the matters set forth in Request 244.

Q. 246. At all relevant times during 1971, Ralph Pompea was one of the two loan officers in the commercial lending area of Ford Motor Credit. As such, he was responsible for developing and negotiating new investments; making a preliminary credit evaluation to determine whether a transaction was feasible; issuing (upon such determination) a letter of intent which "sketched out the transaction in preliminary detail"; submitting (upon acceptance of the letter of intent by the potential borrower) the proposed investment to the Credit Department of Ford Motor Credit for credit evaluation; working (upon completion of a satisfactory credit evaluation) with the Credit Department to develop a proposal and presenting the proposal to the CIR Credit Committee and the Finance Committee for approval; and drafting (upon such approval) a Commitment Letter for approval by the Ford Motor Credit legal staff and the potential borrower.

A. 246. Admit the matters set forth in Request 246.

Q. 247. In 1971 Pompea reported to Bernard L. Lavery, who was the Manager and Senior Investment Officer of the Commercial Financing Division of the Commercial, Industrial and Real Estate ("CIR") Department of Ford Motor Credit; Lavery reported to Richard J. Cornwall, who was a Vice President of Ford Motor Credit in charge of the CIR Department. Cornwall reported to John A. Jansma, who was the Executive Vice President, Special Finance Operations, of Ford Motor Credit; Jansma reported to John C. Dean, who was the President of Ford Motor Credit.

A. 247. Admit the matters set forth in Request 247.

Q. 248. In 1971 Ford Motor Credit had approximately $4.5 billion in total assets, which were invested in wholesale and retail automobile financing, consumer loans, mobile home financing and commercial, industrial and real estate financing. In 1971 the portion of Ford Motor Credit's loans in the CIR Department totalled $465.4 million.

A. 248. Admit the matters set forth in Request 248.

Q. 249. Pompea has an undergraduate degree in marketing and a masters degree in business administration; prior to 1971 Pompea worked for approximately 2 years in the securities department of the Travellers Insurance Company negotiating and evaluating private placements, ranging from $2.5 to $25 million.

A. 249. Admit the matters set forth in Request 249.

Q. 250. The initial contact between Topper and Ford Motor Credit was made by Joseph Arnstein and Allen Peters to Lavery "sometime in late March or early April of 1971". Peters was an investment banker. Subsequent to the closing of the Ford Motor Credit loan Peters was paid a "finder's fee" by Topper for introducing Ford Motor Credit to Topper.

A. 250. Admit the matters set forth in Request 250, except deny that Peters was an "investment banker".

Q. 251. At the direction of Lavery, Pompea had a telephone conversation with David Downs, Executive Vice President - Corporate Development of Topper, in early April, 1971.

A. 251. Admit the matters set forth in Request 251.

Q. 252. Pompea met with Downs on May 7, 1971 to sketch out the structure of a potential loan to Topper. Lavery was present at the portion of the meeting which took place at Ford Motor Credit. Among the subjects discussed at that meeting were the centralization of management, the terms of payment of Topper and its competitors, and Topper's need for "an improved working capital position" through medium-term financing which would be used to pay down short-term debts. Also discussed at the May 7, 1971 meeting were the amount of financing desired by Topper, the interest rate, the nature of the collateral available as security, criteria to be met in order for the loan to become unsecured, and business covenants to become operative in the event that the loan was to become unsecured.

A. 252. Admit the matters set forth in Request 252.

Q. 253. Prior to May 27, 1971 Pompea reviewed a preliminary prospectus dated March 29, 1971 (part of Hayden Stone Ford 3) relating to Topper's April 29, 1971 public offering and its 1970 annual report, both of which he had received from Topper, and reports on Topper

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in Standard and Poor's and Moody's Industrials.

A. 253. Admit the matters set forth in Request 253.

Q. 254. Pompea concluded that a loan to Topper structured as discussed with Downs was potentially feasible and recommended to Lavery that Ford Motor Credit issue a letter of intent to make the loan to Topper.

A. 254. Admit the matters set forth in Request 254.

Q. 255. Lavery instructed Pompea to issue a letter of intent. Pompea then issued such a letter (PX 1243), which was subsequently accepted by Topper.

A. 255. Admit the matters set forth in Request 255.

Q. 256. On May 28, 1971 Pompea visited Topper's premises in Elizabeth, New Jersey. During that visit he had discussions with Henry Orenstein, Downs, Jack Rose and the Topper employee in charge of manufacturing, among others. Pompea's discussions with Topper during that visit included Topper's extended dating program; Topper's monitoring of its sales at retail; its selling methods; Toy Fair; the nature of Topper's customers; its new products, including Sesame Street; Henry Orenstein's marketing and creative abilities; and the centralization of Topper's management.

A. 256. Admit the matters set forth in Request 256.

Q. 257. Upon receipt of the executed letter of intent from Topper in approximately the first week of June, 1971, Pompea submitted it to Ford Motor Credit's Credit Department, along with all materials which he had received concerning Topper, for a detailed credit evaluation of Topper. Those materials included Topper's preliminary March 29, 1971 prospectus, its 1970 annual report, a catalog of toys, and any of its unaudited monthly financial statements and projections which he had received at that time.

A. 257. Admit the matters set forth in Request 257.

Q. 258. In charge of the credit evaluation of Topper was William Duncan, the Senior Manager and Senior Credit Officer of Ford Motor Credit; Walter Finan, the Managing Credit Department Officer; and Dave Ellis, the Credit Analyst.

A. 258. Admit the matters set forth in Request 258.

Q. 259. Ellis prepared a "CIR Financing Proposal" (with Schedules I through III attached) to Members of the Finance Committee dated June 28, 1971 (Hayden Stone Exhibit Ford 4). Pompea and Finan reviewed the June 28, 1971 proposal in its final form prior to presentation to the CIR Credit Committee and the Finance Committee. Duncan and Cornwall also reviewed the June 28, 1971 proposal prior to its submission to the two committees. Dean had overall supervisory responsibility for its preparation.

A. 259. Admit the matters set forth in Request 259, except deny that Dean had overall supervisory responsibility for the preparation of the "CIR Financing Proposal".

Q. 261. Prior to June 28, 1971, during a trip to New York, Pompea was introduced to people at Manufacturers Hanover Trust Company ("Manufacturers Hanover"), including Donald Baker, a Senior Vice President of Manufacturers Hanover, who had worked with the commercial lending area of Manufacturers Hanover responsible for handling its share of the loan to Topper by the Lending Banks. Baker indicated that Topper was considering having Manufacturers

Hanover take over the loan by the Lending Banks as the lead bank, in place of Citibank because "the people at Topper were frustrated by the detailed reporting requirements demanded by City Bank [sic] and were anxious to develop a more fluid relationship". The "thrust of the meeting . . . was the notion that Manufacturers, which was just starting up an accounts receivable financing operation, might take on the Topper Account as its first secured receivables loan". "The individuals [at Manufacturers Hanover] involved in the new receivables lending activity [were] there and . . . discussed in general terms what they proposed to do in this lending area."

A. 261. Deny the matters set forth in Request 261, except admit that prior to June 28, 1971, during a trip to New York, Pompea was introduced to people at Manufacturers Hanover Trust Company ("Manufacturers Hanover"), including Donald Baker, a senior vice president at Manufacturers Hanover, who had worked with the commercial lending area at Manufacturers Hanover, responsible for handling its share of the loan to Topper by the Lending Banks. "It was a fairly brief meeting, perhaps no longer than an hour, and the thrust of the meeting again was the notion that Manufacturers, which was just starting up on accounts receivable financing operations, might take on the Topper account as its first secured receivable loan in this new department". "[T]he people at Topper were frustrated by the detailed reporting requirements demanded by Citibank and were anxious to develop a more fluent relationship where Dave Downs obviously had prior personal contact with banking people involved" (Pompea Dep. at 66). "[I]t subsequently became apparent that Manufacturers had no interest in proceeding along the lines suggested by Mr. Downs" (id. at 67).

Q. 262. Between June 18 and June 21, 1971, Pompea called Edward Waldman at Citibank to introduce himself as a representative of Ford Motor Credit and to tell Waldman that Ford Motor Credit was contemplating making a loan to Topper which would be secured by the same collateral which secured the loan to Topper by the Lending Banks.

A. 262. Admit the matters set forth in Request 262.

Q. 263. Pompea presented the June 28, 1971 proposal to the CIR Credit Committee at a meeting of that Committee between June 28 and July 1, 1971. The members of the CIR Credit Committee had been supplied with copies of the June 28, 1971 proposal in advance of the meeting.

A. 263. Admit the matters set forth in Request 263.

Q. 264. At the time he presented the June 28, 1971 proposal, Pompea was aware that approximately $14 million out of Topper's approximately $64 million in sales booked in 1970 were booked in December under Topper's Spring 1971 Program.

A. 264. Admit the matters set forth in Request 264.

Q. 265. The June 28, 1971 proposal stated that during 1970 60% of all Topper sales were accounted for by products in the to $6.00 range and 25% covered products in the $6.00 to $10.00 range.

A. 265. Admit the matters set forth in Request 265.

Q. 266. The June 28, 1971 proposal stated that Mattel had introduced extended dating terms in 1970.

A. 266. Admit the matters set forth in Request 266.

Q. 267. The June 23, 1971 proposal stated that the manufacture and sale of toys was highly seasonal with the second half of the year being the busiest.

A. 267. Admit the matters set forth in Request 267.

Q. 268. The June 28, 1971 proposal stated that while Topper had attempted to moderate the seasonal fluctuations it had had very little success in that regard.

A. 268. Admit the matters set forth in Request 268.

[269 Question inadvertently omitted.]

Q. 270. The June 28, 1971 proposal stated that one factor causing low sales and substantial losses incurred during the 13 months ended February 4, 1967 was high customer returns of merchandise sold on a "bill and hold" arrangement.

A. 270. Admit the matters set forth in Request 270.

Q. 271. The June 28, 1971 proposal stated that since the period ended February 4, 1967, Topper sales had increased each year and reported profits had increased each year except 1970.

A. 271. Admit the matters set forth in Request 271.

Q. 272. Included in the June 28, 1971 proposal were five-year profit and loss projections.

A. 272. Admit the matters set forth in Request 272.

Q. 273. The June 28, 1971 proposal stated with respect to the 5-year profit and loss projections that they "indicate the company's expectations for the Sesame Street toys which will be introduced on a large scale in

1972 and appear to be optimistic in view of past performance."

A. 273. Admit the matters set forth in Request 273.

Q. 274. The June 28, 1971 proposal stated in part that Topper's 1970 audited financial statements reflected "a weak current position with working capital of $6 million and a relatively heavy debt position with a debt to capital funds ratio of 2.7."

A. 274. Admit the matters set forth in Request 274.

Q. 275. The June 28, 1971 proposal stated that Topper was not rated by Dun & Bradstreet which reported trade slowness of up to 120 days.

A. 275. Admit the matters set forth in Request 275.

Q. 276. The June 28, 1971 set forth Topper's net accounts receivable as follows:

12/31/69	12/31/70	4/30/71	5/31/71
$17,222,000	$30,193,000	$21,580,000	$23,019,000

A. 276. Admit the matters set forth in Request 276.

Q. 277. The June 28, 1971 proposal stated that in 1971 Topper had redated $2 million of accounts receivable.

A. 277. Deny the matters set forth in Request 277, except admit that the June 28, 1971 proposal stated "[I]n 1971 $2 million of billings were redated".

Q. 278. The June 28, 1971 proposal contained a chart showing the comparative aging of accounts receivable at April 30, 1971 and May 28, 1971 as follows:

$(000)

	4/30/71		[illegible]	
	Amount	Percent	Amount	[illegible]
Current	$20,[illegible]	[illegible]	[illegible]	[illegible]
30	273	1.0	8,[illegible]	[illegible]
60	49	.3	133	[illegible]
90 and prior	5,440	19.5	4,929	[illegible]
Other	4,874	17.5	5,246	[illegible]
Credits	(3,596)	(12.9)	(5,236)	[illegible]
Total	$27,805	100.0%	$27,596	[illegible]

A. 278. Admit the matters set forth in Request 278.

Q. 279. The June 28, 1971 proposal contained a schedule listing accounts receivable as of April 30, 1971 by month of billing as follows:

$(000)

	Amount	Percent
April	$ 3,471	12.4%
March	3,854	13.9
February	806	2.9
January and prior	18,395	66.2
Other	4,874	17.5
Credits	(3,596)	(12.9)
Total	$27,805	100.0%

A. 279. Admit the matters set forth in Request 279.

Q. 280. The June 28, 1971 proposal stated that of Topper's $27,805,000 in total accounts receivable as of April 30, 1971, $4,874,000 was classified as "other" and that Topper found that approximately 50% of the items in the "other" classification were eventually collected and that credits were issued for the remainder.

A. 280. Admit the matters set forth in Request 280.

Q. 281. The June 28, 1971 proposal stated that Topper returns in 1970 amounted to $3.6 million compared to $1.6 million in 1969.

A. 281. Admit the matters set forth in Request 281.

Q. 282. The June 23, 1971 proposal contained a reconciliation of Topper's account receivable as of April 30, 1971 as follows:

		$(000)
Accounts Receivable		$27,805
Allowance - Uncollectible Accounts	570	
- Unapplied Deductions	115	
- Discounts-Advertising	2,091	
Accrued Estimated Returns	3,668	6,444
		21,361
Other	218	218
Accounts Receivable - Statement		$21,5[illegible]

A. 282. Admit the matters set forth in Request 282.

Q. 283. The June 23, 1971 proposal contained the following schedule showing the bank's method of computing the eligibility of Topper's accounts receivable as of June 17, 1971:

	$(000)
Accounts Receivable	$27.5
Less Extended Terms	2.0
	$25.5
Less Past Due	3.6
Less Ineligible	2.6
	$19.3
Less 20%	3.8
	$15.5
50% of Extended Terms	1.0
Loan Availability	$16.5
Borrowings	$16.3

A. 283. Admit the matters set forth in Request 283.

Q. 284. The June 23, 1971 proposal stated that "past due" accounts receivable in the above schedule were those 60 days past due according to their terms and that "ineligible" receivables in the above schedule were billings on toys which had not been shipped.

A. 284. Admit the matters set forth in Request 284.

Q. 286. The June 28, 1971 proposal stated in part as follows:

> "Topper's accounts receivable appear to be of good quality with Kresge representing approximately 8% of sales volume. Other large customers include J.C. Penney, Montgomery Ward, Vornado, Woolworth and W. T. Grant. At 4/30/[illegible] accounts receivable included $6.8 million due [illegible] AAA1 rated companies and $2.8 million due from companies with A1 ratings or better. Bad debts charged off in 1970 totaled $84,760 compared with $72,244 for 1969. Topper was involved with only one bankruptcy account during the past three years involving an account with a balance receivable of $140,000 On which it recovered in excess of 50% of the balance due."

A. 286. Admit the matters set forth in Request 286.

Q. 287. The June 28, 1971 proposal stated under the heading "Summary" (Schedule III, page 3) as follows:

> "Although the accounts receivable have a high amount of datings and are subject to extended terms and frequent returns, they appear to be adequate collateral for FMCC's proposed loan and additional support is provided by the inventory, fixed assets and life insurance. CIR believes that the proposed collateral, in combination with Borrower's credit, results in a satisfactory transaction for FMCC."

A. 287. Admit the matters set forth in Request 287.

Q. 288. The June 28, 1971 proposal was neither approved nor rejected at that meeting because several questions were raised by members of the CIR Credit Committee which could not be answered on the basis of information then available. Those questions related to the quality of the collateral.

A. 288. Admit the matters set forth in Request 288.

Q. 289. Pompea and Finan visited Topper and Citibank on July 1, 1971 in order to obtain answers to the questions raised by the CIR Credit Committee.

A. 289. Admit the matters set forth in Request 289.

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Q. 290. On the July 1, 1971 visit to Topper, Pompea and Finan had discussions with Rose, Downs, Orenstein and Schwartz. The terms of the extended dating and re-dating sales of Topper and certain of its competitors were discussed and Pompea and Finan were reassured by Downs "that in his judgment the receivables would collect as contractually called for".

A. 290. Admit the matters set forth in Request 290.

Q. 292. During the July 1, 1971 visit to Citibank, Pompea and Finan had discussions with Lusk, Seigel and Waldman. During those discussions

> "The bank indicated that the toy industry was a high risk industry; that by definition Topper receivables had an element of risk higher than what might be normally found in receivables associated with other industries, but that in their judgment, in the Bank's judgment there should be no great concern, that the situation, that the accounts would not pay out as contractually called for."

A. 292. Admit the matters set forth in Request 292.

Q. 293. On or about July 8, 1971 Pompea submitted to the members of the CIR Credit Committee a memorandum dated July 7, 1971 dealing with the questions raised by them (with Exhibits A through C attached), [Hayden Stone Exhibit Ford 7], which had been prepared by Ellis and was signed by Pompea and Finan. The July 7, 1971 memorandum contained a five-year projected balance sheet, income statement and statement of source and application of funds.

A. 293. Admit the matters set forth in Request 293.

Q. 294. The July 7, 1971 memorandum indicated that Topper had gross sales of at least $53 million in 1969 and at least $70 million in 1970.

A. 294. Deny the matters [illegible] forth in Request 294, except admit that attached to the July 7, 1971 Memorandum was a schedule which showed net sales of $52,723,[illegible] for 1969, less "Ret[illegible]justments" of $3,176,000 and less "Discounts - Adjustments" of approximately $6.1 million.

Q. 295. The July 7, 1971 memorandum indicated that in calculating Topper's net sales figure for 1969 the gross sales figure was reduced by at least $9.5 million for Discount-Adjustments and at least $1.5 million for returns.

A. 295. Deny the matters set forth in Request 295, except admit that attached to the July 7, 1971 Memorandum was a schedule which showed that the 1969 net sales figure for Topper was reduced by "Discounts" of approximately $6.1 million, "Discounts - Adjustments" of $3,589,000 and "Returns" of $1,571,000.

Q. 296. The July 7, 1971 memorandum indicated that in calculating Topper's net sales figure for 1970, the gross sales figure was reduced by at least $12.3 million for Discount-Adjustments and $3.6 million for returns.

A. 296. Deny the matters set forth in Request 296, except admit that attached to the July 7, 1971 Memorandum was a schedule which showed that Topper's net sales figure for 1970 was reduced by "Discounts" of approximately $2.4 million, "Discount - Adjustments" of $9,992,000 and "Returns" of $3,645,000.

Q. 297. The July 7, 1971 memorandum indicated that the average collection period for Topper accounts receivable which were included on Topper's balance sheets as at December 31, 1967, 1968, 1969 and 1970 as well as the estimated collection period for Topper's accounts receivable included on Topper's projected balance sheets as at

December 31, 1971, 1972, 1973, 1974 and 1975 were as follows:

12/31/67	12/31/68	12/31/69	12/31/70
62 days	97 days	117 days	[illegible] days

12/31/71(E)	12/31/72(E)	12/31/73(E)	12/31/74(E)	12/31/75(E)
153 days	130 days	130 days	133 days	137 days

A. 297. Admit to the matters set forth in Request 297.

Q. 298. The July 7, 1971 memorandum indicated that Topper's sales of Dawn in 1970 amounted to $41,401,000.

A. 298. Admit to the matters set forth in Request 298.

Q. 299. The CIR Credit Committee considered the June 28, 1971 proposal again on July 8, 1971. At that time the CIR Credit Committee approved the June 28, 1971 proposal, subject to certain conditions.

A. 299. Admit to the matters set forth in Request 299.

Q. 300. The members of the CIR Credit Committee who approved the June 28, 1971 proposal were R. S. Olson, Chairman of the Board of Directors of Ford Motor Credit; John C. Dean, President of Ford Motor Credit; John A. Jansma, Executive Vice President, Special Finance Operations of Ford Motor Credit; W. H. Guinn, Vice President-Finance of Ford Motor Credit; and Richard S. Cornwall, Vice President of Ford Motor Credit in charge of the CIR Department. The June 28, 1971 proposal was also concurred in by Bernard L. Lavery, Manager and Senior Investment Officer of the CIR Department; William G. Duncan, the Senior Manager and Senior Credit Officer of Ford Motor Credit; and a member of the legal staff of Ford Motor Credit.

A. 300. Admit to the matters set forth in Request 300.

Q. 301. Because the proposed loan to Topper involved a transaction exceeding $3 million, under Ford Motor Credit's procedures it was necessary that the proposal be ratified not only by the CIT Credit Committee but also by the Finance Committee of Ford Motor Company, the parent company of Ford Motor Credit, composed of senior members of the management of both Ford Motor Credit and Ford Motor Company. The members of the Finance Committee who approved the Topper loan were Olson, Dean and John Sagan, who was the Vice President - Treasurer of Ford Motor Company. Olson and Dean approved the June 28, 1971 proposal on July 8, 1971; Sagan approved it on July 15, 1971, subject to certain conditions.

A. 301. Admit to the matters set forth in Request 301.

Q. 302. The conditions to which the approval of the Finance Committee was subject were (1) that a default under the loan to Topper from the Lending Banks would constitute a default under the Ford Motor Credit loan to Topper; (2) that Ford Motor Credit would be given an opportunity to review Topper's financial condition and the terms of its loan agreement with Topper as a condition precedent to Ford Motor Credit's releasing its security under the agreement; and (3) that Ford Motor Credit's $7 million loan to Topper would be reduced to $5 million no later than 3 months after the closing of the loan.

A. 302. Admit to the matters set forth in Request 302.

Q. 302(a). In addition, the Ford Motor Credit loan commitment was to be conditioned upon there being no material adverse change in Topper's financial condition between the time of the loan commitment and the closing.

A. 302(a). Admit to the matters set forth in Request 302(a)

Q. 303. Subsequent to the approval of the Ford Motor Credit loan to Topper by the Finance Committee on July 15, 1971, a commitment letter dated July 15, 1971 (PX 1245) was prepared by Ford Motor Credit and submitted to Topper, which incorporated each of these conditions.

A. 303. The plaintiffs have made reasonable inquiries and knowledge known or readily obtainable by them is insufficient to enable plaintiffs to admit or deny Request 303 as stated, except that plaintiffs admit that on July 15, 1971, Ford Motor Credit advised Topper that it was committed to make a loan to Topper in an amount and upon the terms and conditions set forth in the Ford Motor Credit Letter of Intent to Topper dated May 27, 1971, with four amendments, the terms of which are set forth in PX 1245.

Q. 304. The Board of Directors of Topper approved the commitment letter and authorized the borrowing of $7 million from Ford Motor Credit at its meeting on July 27, 1971.

A. 304. Admit the matters set forth in Request 304.

Q. 305. Ford Motor Credit received from Topper its June, 1971 unaudited financial statements in late July or early August, 1971.

A. 305. Admit the matters set forth in Request 305.

Q. 307. Subsequent to July 15, 1971 Pompea submitted the letter of intent and the commitment letter to the Ford Motor Credit legal staff for preparation of documentation in connection with the Ford Motor Credit loan to Topper.

A. 307. Admit the matters set forth in Request 307.

Q. 308. The legal staff of Ford Motor Credit prepared the initial drafts of the Ford Amendment Agreement;

Topper's promissory note payable to Ford Motor Credit for $7 million; and the Participation Agreement between Ford Motor Credit and the Lending Banks entered into at the time that the Ford Amendment Agreement took effect.

A. 308. Admit the matters set forth in Request 308.

Q. 309. White & Case participated in the drafting of subsequent drafts of the Ford Amendment Agreement.

A. 309. Deny the matters set forth in Request 309, except admit that Messrs. Mitchell and Provine, White & Case attorneys and neither of whom acted for the purchasers in connection with the Private Placement, reviewed subsequent drafts of the Ford Motor Credit Agreement on behalf of Topper.

Q. 310. Between July 15, 1971 and the closing of the Ford Motor Credit loan to Topper, Pompea participated in negotiations with respect to the business aspects of the loan transaction. On September 7, 1971, Pompea participated in a conference call with persons at Topper and at White & Case in connection with such negotiations.

A. 310. Admit the matters set forth in Request 310.

Q. 311. The Ford Amendment Agreement was dated as of September 17, 1971 (Hayden Stone Exhibit Ramseur 18). The Ford Motor Credit loan to Topper closed on September 16, 1971; and on September 17, 1971 Ford Motor Credit wired the proceeds of its loan to Topper, $7 million, to Citibank, and the proceeds were used to pay down Topper's loan from the Lending Banks.

A. 311. Admit the matters set forth in Request 311.

Q. 312. Prior to the closing of the Ford Motor Credit loan to Topper, Pompea knew that accounts receivable more than 60 days past due were ineligible for advances under the Finance Agreement.

A 312. Admit the matters set forth in Request 312.

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Q. 316. Ford Motor Credit did not contact Hayden Stone in connection with its loan to Topper.

A. 316. Admit the matters set forth in Request 316.

Q. 317. Subsequent to the closing of the Ford Motor Credit loan to Topper, Ford Motor Credit continued to receive monthly unaudited financial statements and certain loan status reports from Topper.

A. 317. Admit the matters set forth in Request 317.

Q. 318. On October 19, 1971, Pompea wrote a memorandum to Cornwall, with copies to Duncan and Lavery, of that date (Hayden Stone Exhibit Ford 16) in which he recommended that given Topper's

> "much improved balance sheet position
> and steady earnings progress, it is
> suggested that the financial risk
> associated with FMCC's $7.0 million
> investment has decreased since the
> original date of commitment"

and that therefore Ford Motor Credit reconsider the reduction of its loan from $7 million to $5 million within three months of the closing, as originally provided. At the time Pompea wrote the October 19, 1971 memorandum he had received and reviewed Topper's July, 1971 unaudited financial statements, a portion of which he summarized therein.

A. 318. Deny the matters set forth in Request 318, except admit that on October 19, 1971, Pompea wrote a memorandum to Cornwall, with copies to Duncan and Lavery (HSX Ford 16) in which he stated that given Topper's "much improved balance sheet position and steady earnings progress, it is suggested that the financial risk associated with FMCC's $7.0 million investment has decreased since the original date of commitment", and that therefore Ford Motor Credit should reconsider the planned reduction of its investment (from $7 million to $5 million) within 3 months of the Closing. At the outset of this memorandum, Pompea noted that the investment was "secured by a pro rata participation with First National City Bank and Manufacturers Hanover Trust Company in a collateral pool consisting of certain eligible accounts receivable, inventory and fixed assets." Pompea ascribed the "much improved balance sheet position" to the fact that "Topper sold $5,250,000 of convertible subordinated notes" to plaintiffs on September 28, 1971. Pompea further alluded to the July 31, 1971 financial statements for the purposes of comparing year-to-date earnings for the first seven months of 1971 with the comparable period in 1970.

Q. 319. On October 27, 1971, Finan sent to Duncan, with copies to Pompea and Ellis, additional financial information and documents concerning Topper, including a summary of comparative sales and earnings for the eight months ended August 31, 1971, taken from Topper's August, 1971 unaudited financial statements. In that memorandum Finan stated, among other things: "I think the $7 million loan is adequately secured and, therefore, would recommend that we retain the full loan."

A. 319. Admit the matters set forth in Request 319.

Q. 320. On or about October 28, 1971, Ford Motor Credit received from Topper a copy of Topper's accounts receivable detail trial balance for the month of September, 1971.

A. 320. Admit the matters set forth in Request 320.

Q. 321. Pompea submitted a proposal to the CIR Credit Committee and to the Ford Motor Company Finance Committee which was embodied in a document dated November 23, 1971 (Hayden Stone Exhibit Ford 19), prepared by Ellis, in which it was recommended that (1) the Ford Motor Credit loan to Topper be continued at $7 million rather than reduced to $5 million, as originally provided and that (2) the lending formula under the Finance Agreement be revised in certain respects specified in the proposal.

A. 321. Admit the matters set forth in Request 321.

Q. 322. The November 23, 1971 proposal contained a comparative sales summary for the nine months ended 9/30/70 and 9/31/71 as follows:

	(000's) Nine Months Ended 9/30/70	 9/30/71
Gross Sales	$40,194	$41,9[illegible]
Less Returns	$ 2,496	$ 1,177
Discounts	2,912	3,014
Total	$ 5,408	$ 4,1[illegible]
Net Sales	$34,786	$37,77[illegible]

A. 322. Admit the matters set forth in Request 322.

Q. 323. The November 23, 1971 proposal contained a comparative aging of accounts receivable, according to billing terms, as of April 30, 1971 and September 30, 1971 as follows:

	(000's)			
	4/30/71		9/30/71	
	Amount	%	Amount	%
Current	$20,765	74.6	$18,595	[illegible]
30 Days	273	1.0	3,570	8.6
60 Days	49	.3	5,877	14.0
90 Days & Prior	5,440	19.5	9,555	22.9
(a) Other Debits	4,874	17.5	4,147	10.0
(b) Other Credits	(3,596)	(12.9)	(32)	(-)
	$27,805	100.0%	$41,712	[illegible]

	4/30/71	9/30/71
Less Reserves:		
Returns, Allowances & Discounts	5,874	5,148
Uncollectable Accounts	570	570
	6,444	5,718
	21,361	35,994
Other Receivables	541	190
Per Balance Sheet	21,903	36,184

(a) Estimated portion of billings that will result in returns, allowances and discounts.

(b) Credits allowed for returns, allowances and discounts.

A. 323. Admit the matters set forth in Request 323.

Q. 324. The November 23 proposal contained a summary of eligible accounts receivable as of September 30, 1971 as follows:

	(000's)
Eligible Current Accounts	$21,973
Bill & Hold Accounts	4,895
Redated Accounts	1,936
Accounts Past Due Over 60 Days	7,380
	$36,184

Maximum borrowing power at 9/30/71 was as follows:

Eligible Current Accounts - 80%	$17,578
Bill & Hold Accounts - Maximum	1,000
Redated Accounts - 50% (Max. $1 million)	968
	$19,546
Loans against at 9/30/71	14,836
Excess Borrowing Power	$ 3,710

A. 324. Admit the matters set forth in Request 324.

A. 325. The November 23, 1971 proposal was approved by the members of the CIR Credit Committee (Olson, Dean, Jansma, Guinn and Cornwall) and the members of the Finance Committee (Olson, Dean and Sagan), and was concurred in by Duncan, Cornwall, Jansma and a member of the Ford Motor Credit legal staff. The approval of the members of the CIR Credit Committee and the Finance Committee was given on November 24, 1971.

A. 325. Admit the matters set forth in Request 325.

Q. 326. On December 14, 1971, Orenstein and Downs visited Ford Motor Credit and had discussions with at least Pompea, Cornwall and Lavery. During this visit Topper "dropped the bombshell" on Ford Motor Credit to the effect that Topper anticipated a significant loss which could be as high as its net worth of over $30 million. Pompea's reaction to receiving this information was "suicidal".

A. 326. Admit the matters set forth in Request 326.

Q. 327. During that visit Ford Motor Credit was told that Topper had made a decision to cancel the extended dating program for 1972.

A. 327. Admit the matters set forth in Request 327.

Q. 328. Ford Motor Credit's loss on its loan to Topper was "in the Three Million to Four Million Dollar range".

328. Deny the matters set forth in Request 328, except admit that Ford Motor Credit's loss on its $7 million loan to Topper as well as on certain other secured advances to Topper which Ford Motor made subsequent to December 17, 1971, totalled "in the Three Million to Four Million Dollar range".

329. Documents in the files of Ford Motor Credit include among other things, Topper's audited financial statements for the period ended February 4, 1967, the period February 5, 1967 through December 31, 1967, and the years 1968, 1969 and 1970; Topper's unaudited financial statements for the months of March, June, September and December, 1970; Topper's 1970 annual report; its preliminary financial statements for the year 1970 and projection of operations for the year 1971 (PX 1264); Topper's March and April 1971 unaudited financial statements; the preliminary March 29, 1971 public offering prospectus; and a file containing certain Dun & Bradstreet Analytical Reports on Topper.

329. Admit that, among other things, the documents described in this Request were contained in the files of Ford Motor Credit on September 29, 1975.

D6

PLAINTIFFS' REVISED REQUEST FOR ADMISSIONS FROM THE HAYDEN STONE DEFENDANTS

Q.* 10. Defendant Shearson Hayden Stone Inc. is a corporation organized and existing under the laws of the State of Delaware with principal offices in New York, New York.

Q.* 11. Shearson Hayden Stone Inc. ("Hayden Stone") is the successor to a business originally incorporated in Delaware in 1965 under the name Carter, Berlind & Weill, Inc. (subsequently changed to Cogan, Berlind, Weill & Levitt, Inc. and thereafter to CBWL-Hayden Stone, Inc.) to succeed to the business of the predecessor partnership organized in 1960. Effective October 1, 1974, Shearson, Hammil & Co. Incorporated was merged into Hayden Stone; the name of the merged entity became Shearson Hayden Stone Inc.

Q.* 12. Hayden Stone is engaged in virtually all phases of the securities brokerage and investment banking business, including the origination and participation in underwriting and distribution of securities issues; retail brokerage transactions; investment counseling and investment management services, primarily through its wholly-owned subsidiary, Bernstein-Macaulay, Inc.

Q.* 13. Defendant Bernstein-Macaulay, Inc. ("Bernstein-Macaulay") is a corporation organized and existing under the laws of the State of New York with its principal office at 505 Park Avenue, New York, New York 10022.

Q.* 14. Bernstein-Macaulay is a wholly-owned subsidiary of Hayden Stone and is registered as an investment adviser pursuant to Section 203 of the Investment Advisers Act of 1940, 15 U.S.C. § 80b-3.

Q.* 15. Bernstein-Macaulay renders investment advisory and counselling services to a wide variety of individual and institutional clients. Bernstein-Macaulay accounts are managed on an advisory basis (in which case the client is consulted prior to taking investment action), or on a discretionary basis.

Q.* 16. At the time of the Private Placement, Bernstein-Macaulay acted on an advisory basis with regard to selection of investments for the Trust.

Q.* 17. Roger S. Berlind ("Berlind") is a resident of the State of New York who, as of September 28, 1971, was the Chief Executive Officer, a director and Chairman of the Executive Committee of Hayden Stone, a director and member of the Executive Committee of Bernstein-Macaulay, and a director of and shareholder in Topper.

Q.* 18. On September 28, 1971 Berlind owned 33,472 shares of Topper, or approximately 1% of the outstanding common stock of Topper. Berlind also owned 284,000 shares in Hayden Stone on September 28, 1971, which comprised 12.13% of all outstanding equity in Hayden Stone, a percentage which did not materially change at anytime during the period 1967 through October 1, 1971.

Q.* 19. Sanford I. Weill ("Weill") is a resident of the State of New York who, as of September 28, 1971, was Chairman of the Board of Directors and a member of the Executive Committee of Hayden Stone, a director and member of the Executive Committee of Bernstein-Macaulay, and a director of and shareholder in Topper.

Q.* 20. On September 28, 1971 Weill owned 33,575 shares of Topper, or approximately 1% of the outstanding common stock of Topper. Weill also owned 284,000 shares in Hayden Stone on September 28, 1971 which comprised 12.13% of all outstanding equity in Hayden Stone, a percentage which did not materially change at anytime during the period 1967 through October 1, 1971.

A.* Admits Paragraphs 10 - 20

Q.* 35. To aid in procuring its subordinated financing, as well as other future financings, Topper retained the services of Hayden Stone in 1967.

Q.* 36. Topper agreed to use its best efforts to cause the election of Berlind and Weill to its Board of Directors.

Q.* 37. Berlind and Weill became directors subsequent to and as a result of their roles in this financing arrangement and continued to serve as directors and to be shareholders of Topper, as well as serving as officers and directors and being shareholders of Hayden Stone through at least the end of 1971.

A.* Admits Paragraphs 35 through 37

Q.* 38. Berlind and Weill sought and attained representation on Topper's Board of Directors in order to protect the interests of Hayden Stone and its clients.

A. 38. Deny the matters set forth in Request 38, except admit that Berlind and Weill sought and attained representation on Topper's Board of Directors for several reasons, including, without limitation, assisting Topper in its development and in protecting the interests of those who invested in Topper, including clients of Hayden Stone.

Q.* 40. Among other purposes of certain financings during the period 1967 through 1971 were the raising of additional working capital and the repayment of previous financings.

Q.* 41. Hayden Stone assisted Topper in arranging five separate private placements of Topper's securities and two public offerings of Topper common stock during the period from late 1967 through the end of 1971.

Q.* 42. Hayden Stone assisted Topper in arranging the first private placement of Topper securities in late 1967 and early 1968 which consisted, among other things, of $2,220,000 in junior participations in the bank loans; Berlind and Weill each purchased $62,500 of such junior participation interests and, as a result received 7,800 shares of Topper common stock; Topper issued to Hayden Stone for a nominal consideration 101,475 shares of common stock as its fee for such assistance in this financing and for certain related services of a financial advisory nature.

Q.* 43. In the second private placement, the renegotiation and repayment of an $8 million note in July 1968 was arranged by borrowing $1,945,000 from a group of private investors on a secured basis subordinated to the Banks; Hayden Stone acted as financial advisor but did not receive a fee from the Company for its role in this financing.

Q.* 44. To raise additional working capital and to permit the repurchase of 255,000 shares of common stock, Hayden Stone assisted Topper in arranging a third private placement in July 1969 under which Topper borrowed $2,079,000 from a group of private investors; Hayden Stone was paid $100,000 as a fee for such assistance.

Q.* 45. In the fourth private placement, Hayden Stone assisted Topper in arranging to borrow $5,200,000 from a group of private investors in December 1969 and January 1970; the CBWL-Hayden Stone Inc. Profit Sharing and Savings Plan Trust purchased $200,000 of Topper debt securities and received 4,000 shares of Topper common stock in this financing; Topper paid Hayden Stone $130,000 for such assistance.

Q.* 46. On June 3, 1970, Hayden Stone acted as representative of the underwriters in Topper's first public offering of 440,000 shares of common stock at a price of $5 a share; part of the proceeds from this underwriting, as well as from a contemporaneous offering of 185,800 shares to Topper employees, were applied to repay the $2,079,000 borrowed in the third private placement; the major portion of the underwriting discounts and commissions, which aggregated $165,000, was received by Hayden Stone, Inc.

Q.* 47. In November 1970, Hayden Stone assisted Topper in arranging for the extension of the maturity of certain subordinated notes, issued pursuant to the fourth private placement from June 30, 1971 to January 31, 1972; as compensation for its assistance in arranging for the extension of the maturity date of the Subordinated Notes, Hayden Stone received $11.54 for each $1,000 principal amount of Subordinated Notes so extended, or an aggregate of $44,423.

A.* Admits Paragraphs 40 through 47.

Q.* 48. On April 29, 1971 Hayden Stone acted as representative of the underwriters in arranging for the second public offering of 750,000 shares of Topper common stock at a price of $10.50 per share; part of the net proceeds were used to pay noteholders who purchased pursuant to the fourth private placement but who refused to extend the maturity date of the notes; the closing date of the April 29, 1971 public offering was May 6, 1971; Hayden Stone received $283,500 in underwriting discounts and commissions generated by this public offering.

A. 48. Deny the matters set forth in Request 48, except admit that on April 29, 1971 Hayden Stone acted as representative of the underwriters in arranging for the second public offering of 750,000 shares of Topper common stock at a price of $10.50 per share; part of the net proceeds were used to pay noteholders who purchased pursuant to the fourth private placement but who refused to extend the maturity date of the notes; the closing date of the April 29, 1971 public offering was May 6, 1971; Hayden Stone received approximately $283,500 in underwriting discounts and commissions generated by this public offering.

Q.* 49. On September 28, 1971, Topper sold $5,250,000 of its notes to plaintiffs and others. In connection with the Private Placement, Hayden Stone acted as Topper's agent.

Q.* 50. For its services in the Private Placement, Hayden Stone was paid a fee of $157,500 on closing and was promised an additional $50,000 in 1972.

Q.* 51. Hayden Stone approached the Pension Fund and Connecticut Mutual concerning the Private Placement; the Chairman of the Executive Committee of Bernstein-Macaulay approached the Dallas Bank concerning participation in the Private Placement by the Trust.

Q.* 52. The Pension Fund was first approached by Hayden Stone in July of 1971 concerning the Private Placement. Following this contact, representatives of the Pension Fund communicated with, among others, Hayden Stone and Topper officials concerning Topper prior to their decision to participate in the Private Placement.

Q.* 53. Connecticut Mutual was approached by Hayden Stone sometime in July 1971 concerning their proposed participation in the Private Placement. Following the initial contact by Hayden Stone, Connecticut Mutual communicated with, among others, representatives of Topper and Hayden Stone prior to its purchase of the Topper Notes.

Q.* 54. Hayden Stone (or Bernstein-Macaulay in the case of the Dallas Bank) distributed a memorandum relating to Topper and the proposed Private Placement bearing the date July 1971 to each of the plaintiffs (the "Private Placement Memorandum").

A.* Admits Paragraphs 49 through 54

Q.* 55. Included in the Private Placement Memorandum was Topper's April 29, 1971 Prospectus which purported to describe, among other things, the financial condition and business of Topper.

A. 55. Deny the matters set forth in Request 55, except admit that included in the Private Placement Memorandum was Topper's April 29, 1971 Prospectus which described, among other things, the financial condition and business of Topper.

Q.* 57. With regard to the intended use of proceeds from the Private Placement, the Private Placement Memorandum stated:

> "The Company proposes to use the net proceeds of this placement to reduce its bank indebtedness, which will enable the Company to reduce the effective interest cost on its bank loans. Peak borrowing periods normally occur during the final quarter of the calendar year to finance inventory and receivables during the holiday season and are normally paid back during the early part of the next year" (at 5).

Q.* 58. Under the heading "Financial", the Private Placement Memorandum stated in part:

> "The Company's results of operations for the four years ended December 31, 1970, and results for the first quarter ending March 31, 1971 are set forth on pages 6, 7 and 9 of the prospectus attached hereto as Exhibit I. The Company has increased its net sales from $35,036,034 for the year ended December 31, 1968 to $63,935,619 in 1970, an increase of 83%. In that same period, income from continuing toy operations before provision for federal income taxes increased from $1,073,684 to $2,927,495, an increase of 173%" (at 15).

Q.* 59. Reporting the amount of Topper's net sales and net income (or loss), the April 29, 1971 Prospectus stated in part (at 6-7):

	1967**	1968	1969	1970
Net Sales	$ 30,292,652	$ 35,036,034	$ 53,722,774	$ 63,935,619
Net Income (or Loss)	(833,144)	596,214	2,716,373	353,127

A. Admits Paragraphs 57 through 59.

** Eleven month period ending December 31, 1967.

Q.* 60. The April 29, 1971 Prospectus stated:

> "The reasons for the substantial decline in sales and the very large losses incurred during the thirteen months ended February 4, 1967 include the following:
>
> . . . .
>
> "(4) As a result, in part, of the disruption of normal marketing created by such large inventory liquidations, customers returned approximately $4,200,000 of toys sold to them under 'bill and hold' arrangements in 1965 and allowances were made to customers of $900,000 against sales made in 1965.
>
> . . . .
>
> "(6) Approximtely $1,400,000 was expended for warehouse rent and other related costs to carry the excessively large finished goods inventories which amounted to $12,098,000 at December 31, 1965 as compared with $4,987,000 at February 4, 1967" (at 8).

A. 60. Deny the matters set forth in Request 60, except admit that the April 29, 1971 Prospectus stated at page 8:

> "The reasons for the substantial decline in sales and the very large losses incurred during the thirteen months ended February 4, 1967 include the following:
>
> (1) A major portion of management effort and time during the nine-month period ended October 4, 1966 was devoted to negotiations to purchase the business from the parent company and to arrange for bank loans to finance a portion of the purchase price. As a result, management was precluded from spending as much effort and time on day-to-day basic activities as would otherwise have been the case.
>
> (2) Expenditures of large amounts were made for advertising, selling, administrative and factory expenses on the basis of an expected high level of sales which did not materialize.
>
> (3) A critical shortage of working capital resulted from sharply reduced financing by the parent company during the period of the negotiations referred to in (1) above and from the need for cash to repay the $20,000,000 short-term bank loan made to purchase the business. This resulted in:
>
> (i) the liquidation of large quantities of inventories at substantially reduced and close-out prices; and
>
> (ii) the discontinuance of certain toys which resulted in the scrapping of about $4,000,000 of raw materials and parts, the write-down of finished goods inventory at year-end by about $1,500,000,

and the write-off of related unamortized tooling of about $600,000

(4) As a result, in part, of the disruption of normal marketing created by such large inventory liquidations, customers returned approximately $4,200,000 of toys sold to them under "bill and hold" arrangements in 1965 and allowances were made to customers of $900,000 against sales made in 1965.

(5) A loss of $1,027,000 was sustained upon discontinuance of operations in Canada.

(6) Approximately $1,400,000 was expended for warehouse rent and other related costs to carry the excessively large finished goods inventories which amounted to $12,098,000 at December 31, 1965 as compared with $4,987,000 at February 4, 1967.

(7) A non-recurring charge for the portion of the purchase price ($1,010,000) allocated to open sales orders acquired from the seller, was absorbed during the four months ended February 4, 1967."

Q.* 61. Under the heading "First Quarter Results" for 1971, the April 29, 1971 Prospectus stated:

"Set forth below is information with respect to the unaudited consolidated results of operations of the Company for the quarter ended March 31, 1971, and for the comparable period of the prior year. The figures are unaudited, but management believes that all adjustments (which include only normal recurring accruals) necessary for a fair statement of the results have been included.

	1971(c)	1970(c)	
"Net sales	$4,900,227	$ 1,979,366	(a)
"Loss before federal income tax benefits	$ (765,417)	$(2,047,163)	(b)
"Net loss	$ (398,016)	$(1,039,959)	(b)
"Net loss per share of common stock	$ (.14)	(.46)	(b)

"(a) First quarter results for 1970 do not include either sales or losses of the Company's toiletries operation which incurred a loss for the full year 1970 and which was discontinued at the end of the year.

"(b) 1970 first quarter results have been adjusted from those previously reported to reflect the allocation of the federal income tax benefits associated with the entire year's operation, which resulted in a profit.

"(c) In the preparation of interim financial statements the Company absorbs manufacturing overhead and advertising expenses on the basis of estimated production and sales for the year. Approximately $2,400,000 of such expenses were so deferred at March 31, 1971 compared to approximately $2,000,000 at March 31, 1970.

"The increase in net sales and the reduction of the net loss for the first quarter of 1971 as compared with the first quarter of 1970 resulted primarily from the Company's ability to ship low priced merchandise which was not available during the spring of 1970.

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"Since the Company's business is seasonal, shipments during the the last half of each calendar year are cutomarily greater than shipments during the first half of the year. Consequently the results of operations for the first three months of the year are not indicative of the entire year's operations.

"The Company's backlog of unshipped orders as of March 31, 1971 was approximately $34,000,000 compared to approximately $30,000,000 at March 31, 1970. Toys to be manufactured in the Orient represent 34% of the 1971 backlog; such toys represented approximately 31% of the 1970 backlog" (at 9).

Q.* 62. Further, the Pension Fund and Connecticut Mutual were each provided a copy of Topper's unaudited Financial Statement for the period ending June 30, 1971. The June 30, 1971 Financial Statement reported, among other things, a net profit before provision for federal income taxes of $589,503 for the first six months of 1971, compared with a net loss of $750,886 for the same period in 1970.

Q.* 63. With regard to marketing, the April 29, 1971 Prospectus stated:

"Marketing

"The Company maintains a showroom in New York City in which it displays its various products. The products themselves are marketed by a sales force of approximately 60 persons to national and regional chain stores and through wholesale distributors. No single customer accounts for as much as 10% of total sales.

"In recent years the Company has emphasized the introduction of low priced toys designed to sell on a year round basis and marketing programs designed to encourage customers to place early orders and accept early shipments. This approach has to some extent permitted the Company to increase its production and shipments in the early months of the year with a related increase in efficiency. However, shipments during the final half of the year are still greater than those during the first six months.

"Company-designed toys are manufactured and marketed abroad by licensees on a royalty basis. To date, royalties from foreign licensees have not been significant in relation to the Company's total revenues.

"Television advertising is relied upon heavily by the Company to create consumer demand for its products. Most of the items in the Company's toy line are promoted through television advertising with particular emphasis on individual items introduced in the current year. In 1970 the Company expended approximately $9,800,000 on advertising, the bulk of which was utilized for spot and network television time" (at 12).

Q.* 64. The April 29, 1971 Prospectus also stated:

> "The Company is engaged in a very competitive business and has been required to meet extended dating offered to customers by competitors, thus increasing the Company's needs for and costs of working capital. December 1970 sales included approximately $14,000,000 of shipments, which consisted primarily of spring program merchandise, carrying extended terms of five to eight months, compared to similar sales of approximately $2,000,000 in 1969" (at 8).

Q.* 65. The Private Placement Memorandum stated, among other things:

> "In December, 1970, the Company sold under its Spring program approximately $11 million of the Dawn line. Similar to the practice of Mattel and other major toy companies, Topper permitted payment for these items on an extended dating basis. For 1971, the Company has expanded this line to include 19 doll packages, 75 clothing styles and 16 accessories. The excellent reception to the Spring program and first quarter results indicate that Dawn, as well as the Company's other low-priced products, appears to be selling on a year-round basis and should serve to reduce the Company's seasonal volume and earnings fluctuations" (at 6).

Q.* 66. Under the heading "Projections", the Private Placement Memorandum stated in part:

> "The Company's projections for the years to end December 31, 1971 through 1975 are set forth in Exhibit 3. A review of the sales projections shows that the Company contemplates an increase from the estimated $68 million in 1971 to the $120 million range by 1975, a compounded growth rate of approximately 15%. It is anticipated that sales from the Company's Sesame Street product line should grow at a substantially faster rate than total sales. The Company has not provided sales projections by product category for competitive reasons and because a large percentage of its business has been represented by the sale of 'promotional' rather than 'staple' toys. It has been the Company's experience that overall sales may be projected with a reasonable degree of accuracy; however, sales within a product category may exceed or fall below expectations" (at 16).

Q.* 67. Exhibit 3 of the Private Placement Memorandum reported Topper's projected income statement for 1971 as follows:

Net Sales	$68,000,000
Cost of Sales	40,184,000
Gross Profit	27,816,000
Operating Expenses	21,143,000
Normal Profit	6,673,000
Extraordinary Depreciation & Amortization	1,500,000
Pre-Tax Income	5,173,000
Provision for Taxes	2,483,000
Net Profit	$ 2,690,000
Earnings Per Share	$ .78
Fully Diluted Earnings Per Share	$ .77

Q.* 68. Exhibit 4 of the Private Placement Memorandum reported Topper's projected cash receipts and disbursements for 1971 as follows:

Receipts:	
Accounts Receivable	$ 70,672,000
Long Term Debt	4,800,000
Senior Debt	6,900,000
Common Stock Sale	6,200,000
Total Receipts	88,572,000
Total Disbursements	61,073,000
Net Cash Surplus	27,499,000
Additional Payments Against Accounts Payable	6,016,000
Loan Repayment	21,483,000
Loan Balance - Beginning	16,318,000
Loan Balance - End	(5,165,000)
Cash Balance 1/1/71 (net)	330,000
Cash (including Marketable Securities)	$ 5,495,000

A.* Admits Paragraphs 61 through 68.

Q 146. To induce purchases pursuant to the Spring 1971 Program, Topper in November and December 1970 agreed with certain customers to grant a right of exchange applicable to said purchases. With certain of these customers Topper further agreed to embody this right in a letter.

A 146. Admit

Q 148. Exchange letters were written to at least 21 customers who ordered pursuant to the Spring 1971 Program.

A 148. Admit

Q 150. Topper issued exchange letters to certain customers in 1971 to induce such customers to accept Topper merchandise during this period.

A 150. Deny knowledge or information sufficient to form a belief as to the truth of the matters set forth in Request 150, except admit that Topper issued exchange letters to certain customers in 1971, among other reasons, to induce such customers to accept Topper merchandise during this period.

Q. 163. On May 14, 1970, Orenstein "presented and read to" the Topper Board of Directors, including Messrs. Berlind and Weill, "a contract entered into under date of April 1, 1970 with" the New York Terminal Warehouse Company ("NYTCO") "for the storage of merchandise in" a NYTCO warehouse "located on a portion of [Topper's] premises leased" to NYTCO (PX 921). "Upon motion duly made, seconded and unanimously adopted, it was RESOLVED, that the agreement with [NYTCO be] approved for renewal" (PX 599) for the period April 1, 1970 through March 31, 1973.

A. 163. Deny the matters set forth in Request 163, except admit that at the Board Meeting held on May 14, 1970 attended by, among others, Joseph Hinsey, Glover Johnson, Roger S. Berlind and Sanford I. Weill, "upon motion duly made, seconded and unanimously adopted, it was RESOLVED, that the agreement with the New York Terminal Warehouse" was approved for renewal.

Q. 219. Representatives of Hayden Stone conducted "due diligence" inquiries in connection with the five private placements Hayden Stone arranged for Topper prior to the Private Placement and the two public offerings of Topper common stock which Hayden Stone managed on behalf of underwriting syndicates in 1970 and 1971.

A. 219. Deny the matters set forth in Request 219, except admit that representatives of Hayden Stone conducted "due diligence" inquiries in connection with the two public offerings of Topper common stock which Hayden Stone managed on behalf of underwriting syndicates in 1970 and 1971 and inquired into Topper's affairs, to varying extents, in connection with the private placements Hayden Stone assisted Topper in arranging.

Q. 220. In connection with each such financing, Hayden Stone requested, and Topper granted, full and complete access to all its properties and books and records to enable Hayden Stone to conduct a due diligence investigation.

A. 220. Deny the matters set forth in Request 220, except admit that in connection with each such financing Hayden Stone requested, and it had no reason to believe at the time that it was not granted, access to such of Topper's properties, books and records as to enable Hayden Stone to conduct such investigation as was required under the circumstances.

Q. 221. The reason Hayden Stone secured the right to full and complete access to Topper's properties and books and records in connection with each financing was to enable Hayden Stone to reach a determination as to whether the contemplated financing should proceed and to inform prospective investors of all material facts relating to Topper's affairs.

A. 221. Deny the matters set forth in Request 221, except admit that the reasons Hayden Stone requested access to Topper's properties, books and records to the extent indicated in response to Request 220 were, among others, to enable Hayden Stone to determine whether the financing should proceed and to enable Hayden Stone to inform prospective investors about Topper to the extent appropriate under all the circumstances in accordance with Hayden Stone's obligation under law.

Q. 222. Hayden Stone had full and complete access to Topper's properties and books and records in connection with its investigation which preceded the Private Placement.

A. 222. See response to Request 220.

Q.* 224. Representatives of Hayden Stone examined certain Topper documents relating to Topper's accounts receivables in connection with the due diligence investigations which preceded the June 3, 1970 and April 29, 1971 public offerings of Topper common stock.

Q.* 225. Representatives of Hayden Stone requested and received from Topper projections in connection with due diligence investigations which preceded the June 3, 1970 and April 29, 1971 public offerings of Topper common stock.

A.* Admits Paragraphs 224 through 225.

Q.' 226. A representative of Hayden Stone requested and received a cash flow projection by month for 1971 in connection with the due diligence investigation which preceded the April 29, 1971 public offering of Topper common stock.

A. 226. Deny the matters set forth in Request 226 except admit that in connection with the due diligence investigation which preceded the April 29, 1971 public offering of Topper common stock Hayden Stone reviewed a cash flow projection by month for 1971.

Q. 227. Berlind and Weill generally received copies of Topper's unaudited monthly Financial Statements at or about the time such statements were regularly circulated to Topper directors and others. Certain of the monthly unaudited Financial Statements were available to representatives of Hayden Stone conducting due diligence investigations.

A. 227. Deny knowledge or information sufficient to form a belief as to the truth of the matters set forth in Request 227, except admit that copies of Topper's unaudited Monthly Financial Statements were generally sent to Berlind and Weill at or about the time they were regularly circulated to Topper directors and

Q. 229. On March 12, 1971 Conrad Sterrett, a member of the Hayden Stone Corporate Finance Department, stated, in part, in a memorandum to the Hayden Stone Commitment Committee:

> "Projections in the toy business are difficult, particularly in the case of Topper, where the major portion of sales and an even greater proportion of earnings occur in the final quarter. As a result, the Company's earnings projections in the past have not been accurate (PX 578 at 2).
>
> . . . .
>
> "Included in the sales for December 1970 were $16 million of goods, principally Dawn, sold to jobbers at reduced prices at terms payable 5 to 8 months from shipment date. Although the Company planned advertising and promotions to stimulate such sales, Topper has not in the past conducted a 'spring promotion' of such size and on such favorable terms. The Company's continuing operations would have operated at a loss in 1970 had these sales not materialized. Both Ideal and Mattel had similar promotions with terms at least as favorable to the purchaser.
>
> "Dating is common in the toy business, and the Company usually sells on terms of 30 - 100 days. Topper consistently has a large dollar amount of receivables outstanding. The Company has experienced minimal losses in receivables, however, with only $84,000 charged to the profit and loss statement in 1970 on sales of $64 million (id. at 3-4).
>
> . . . .
>
> "The Company has $1.35 million of notes coming due in June 1971, and $3.85 million in notes due in January 1972, all of which were placed by CBWL-Hayden, Stone. The proposed offering will strengthen the Company's ability to repay such notes, particularly if sales and earnings do not materialize" (id. at 4).

A. 229. Admits.

Q. 231. Prior to September 28, 1971, Hayden Stone knew that, on certain occasions and under certain circumstances, Topper issued credits to customers for markdowns, discounts and allowances relating to unsold Topper merchandise.

A. 231. Deny the matters set forth in Request 231, except admit that prior to September 28, 1971, Hayden Stone knew that, on certain occasions and under certain circumstances, Topper issued credits to customers for markdowns, discounts and allowances.

Q. 232. Prior to September 28, 1971, Hayden Stone knew that Topper accrued or reserved for the amount of credits it estimated would be granted customers for returns, discounts, allowances and other year-end concessions above and beyond the amount recorded.

A. 232. Deny the matters set forth in Request 232, except admit that prior to September 28, 1971 Hayden Stone probably knew that Topper accrued or reserved for the amount of credits it had granted and that would be granted to customers for returns. At the present time Hayden Stone has no recollection whether it knew that Topper accrued or reserved for credits it estimated would be granted to customers for discounts and allowances. However, since Hayden Stone from time to time discussed Topper's reserves with Arthur Young & Co., it may have been advised that Topper accrued or reserved for discounts and allowances.

Q. 233. Prior to September 28, 1971, Hayden Stone knew that the amount of credits which Topper issued, accrued or reserved for returns, discounts, rebates, allowances and other concessions represented the difference between the amount of Topper's "gross sales" and "net sales" for the year.

A. 233. Deny the matters set forth in Request 233, except admit that prior to September 28, 1971 Hayden Stone knew that in arriving at its net sales, Topper deducted returns, discounts and allowances. See also response to Request 232.

Q. 235. Prior to September 28, 1971, Hayden Stone knew the amount of credits issued, accrued or reserved for by Topper for returns, discounts, rebates, and allowances for the years 1967, 1968 and 1969.

A. 235. Deny knowledge or information sufficient to form a belief as to the truth of the matters set forth in Request 235, except admit that prior to September 28, 1971, Hayden Stone knew the amounts that had been deducted for returns, discounts and allowances in arriving at Topper's net sales for 1967, 1968 and 1969. It has no present recollection whether it knew that a portion of such amounts included accruals or reserves.

Q. 236. Prior to September 28, 1971, Hayden Stone knew that Topper at certain times redated receivables relating to unsold Topper merchandise.

A. 236. Deny the matters set forth in Request 236, except admit that prior to September 28, 1971, Hayden Stone knew that Topper at certain times redated receivables.

Q. 237. Prior to September 28, 1971, Hayden Stone knew that Topper permitted customers to exchange one type of merchandise which they were unable to sell for another type of merchandise or for credit against any future order of Topper merchandise.

A. 237. Deny knowledge or information sufficient to form a belief as to the truth of the matters set forth in Request 237, except admit that prior to September 28, 1971, Hayden Stone knew that Topper had had a Johnny Lightning repackaging program and on certain occasions permitted customers to balance inventory.

Q. 240. At a May 14, 1970 meeting of the Topper Board of Directors, Berlind and Weill approved the renewal of the April 1, 1970 agreement between NYTCO and Topper which provided for storage of merchandise at the New York Terminal Warehouse.

A. 240. Deny the matters set forth in Request 240, except admit that at the May 14, 1970 Board Meeting, Berlind and Weill voted for a resolution which provided "that the agreement with the New York Terminal Warehouse," was approved for renewal.

Q. 241. Prior to September 28, 1971, Hayden Stone knew projections in the toy business were difficult and that Topper's earnings projections in the past had not been accurate.

A. 241. Deny the matters set forth in Request 241, except admit that on March 12, 1971 in a memorandum to the Commitment Committee, Conrad Sterrett stated, among other things, that projections in the toy business were difficult and that Topper's earnings projections in the past had not been accurate.

Q. 242. Prior to September 28, 1971, Hayden Stone knew that without the Spring 1971 Program, Topper's continuing operations would have operated at a loss in 1970.

A. 242. Deny that matters set forth in Request 242, except admit that Conrad Sterrett, in a memorandum to the Commitment Committee, wrote that without the Spring 1971 Program, Topper's continuing operations would have operated at a loss in 1970.

Q.* 243. Prior to September 28, 1971, Hayden Stone knew that approximtely $9.5 million of the Spring 1971 Program receivables were due on May 10, 1971 and approximately $6.5 million of the Spring 1971 Receivables were due on August 10, 1971.

Q.* 244. Prior to September 28, 1971, Hayden Stone knew that the Pension Fund and Connecticut Mutual had been furnished copies of Topper's unaudited Financial Statements for the period ending June 30, 1971.

A.* Admits Paragraphs 243 through 244.

Q. 245. As members of the Hayden Stone Commitment Committee, Berlind and Weill each approved Hayden Stone's participation in the Private Placement.

A. 245. Deny knowledge or information sufficient to form a belief as to the truth of the matters set forth in Request 245, except admit that Berlind and Weill approved of Hayden Stone's participation in the Private Placement, that under Hayden Stone's then prevailing practice it was likely that the Private Placement was submitted to the Commitment Committee and that Berlind and Weill were members of the Commitment Committee.

Q. 246. In the conduct of Hayden Stone's investigation of Topper in connection with the Private Placement, Mr. Inglis reported to Mr. Weill.

A. 246. Deny the matters set forth in Request 246, except admit that in connection with the Private Placement Mr. Inglis' best present recollection is that he reported to Weill.

Q. 247. Berlind and Weill each reviewed the Private Placement Memorandum prior to September 28, 1971.

A. 247. Admits.

Q. 248. Berlind and Weill each personally participated in Hayden Stone's efforts to solicit sales of the Topper Notes sold in the Private Placement.

A. 248. Answer inadvertently omitted.

Q. 249. As Trustees of the Hayden Stone Profit Sharing and Savings Plan, Berlind and Weill each approved the sale of 8,000 shares of Topper common stock at a price of $14.50 per share by the Hayden Stone Profit Sharing and Savings Plan Trust on August 19, 1971.

A. 249. Deny knowledge or information sufficient to form a belief as to the truth of the matters set forth in Request 249, except admit that prior to September 30, 1971, as trustees of the Hayden Stone Profit Sharing and Savings Plan, Berlind and Weill each approved the sale of 5,000 shares of Topper Common Stock by the Hayden Stone Profit Sharing and Savings Plan Trust at $14.50 per share.

Q. 250. Subsequent to May 31, 1971 and prior to September 28, 1971, Berlind and Weill each attempted to have Topper prepare and file a registration statement with the Securities and Exchange Commission covering the previously unregistered common stock owned by Berlind and Weill, as well as other clients of Hayden Stone.

A. 250. Deny the matters set forth in Request 250, except admit that between May 31, 1971 and September 28, 1971 Weill requested Topper to register Berlind and Weill's previously unregistered shares of Topper Common Stock.

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TOPPER CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPORTING SCHEDULES

* * * *

MAY 31, 1971

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TOPPER CORPORATION

MAY 31, 1971

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TOPPER CORPORATION

CONSOLIDATED BALANCE SHEET
MAY 31, 1971

		1971	1970
ASSETS			
CURRENT ASSETS			
CASH-NOTE 1-		$ 1,867,418.29	$ 976,123.02
ACCOUNTS RECEIVABLE - NET		23,250,274.31	15,467,145.30
INVENTORIES-NET		9,304,429.95	9,662,348.59
PREPAID EXPENSES		1,096,986.27	970,554.86
UNABSORBED EXPENSES		2,848,351.92	3,339,016.31
TOTAL CURRENT ASSETS		$38,367,460.74	$30,415,223.08
PROPERTY, PLANT AND EQUIPMENT-NET		$ 3,858,517.20	$ 4,356,234.89
MOLDS AND DIES-NET		3,493,061.85	5,095,667.94
OTHER ASSETS		36,919.72	22,131.44
TOTALS		$ 7,388,499.82	$ 9,474,034.27
TOTAL ASSETS		$45,755,959.56	$39,889,257.35
LIABILITIES AND STOCKHOLDERS EQUITY			
CURRENT LIABILITIES			
LOANS PAYABLE TO BANK		$15,780,174.97	$14,768,434.05
ACCOUNTS PAYABLE		6,433,836.55	9,227,988.91
ACCRUED EXPENSES		1,195,773.48	1,449,545.23
10% NOTES DUE JUNE 30, 1971		1,350,000.00	
8% NOTES DUE JUNE 2, 1970			2,079,000.00
10% NOTES DUE JANUARY 31, 1972		3,850,000.00	
TOTAL CURRENT LIABILITIES		$28,609,795.00	$27,525,004.19
LONG TERM DEBT		$ 85,411.36	$ 5,200,000.00
FEDERAL INCOME TAXES		$ 73,350.42	
STOCKHOLDERS EQUITY			
PREFERRED STOCK,			
5% CUMMULATIVE PREFERRED PAR VALUE $100			
AUTHORIZED 30,000 SHARES			
OUTSTANDING 36,000 SHARES		$ 3,000,000.00	$ 3,000,000.00
COMMON STOCK			
AUTHORIZED 5,000,000 SHARES			
OUTSTANDING 3,757,895 SHARES		3,757,895.00	2,595,237.00
CAPITAL SURPLUS		9,009,375.41	1,230,124.34
SURPLUS		2,310,182.26	1,712,282.82
		$18,077,452.67	$ 8,537,648.16
LESS, TREASURY STOCK			
5% CUMULATIVE PREFERRED 10,200 SHARES	$1,020,000.00		
COMMON STOCK 50,600 SHARES	70,039.89	1,090,039.89	1,373,403.00
TOTAL STOCKHOLDERS EQUITY		$16,987,412.78	$ 7,164,249.16
TOTAL LIABILITIES & STOCKHOLDERS EQUITY		$45,755,959.56	$39,889,257.35

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TOPPER CORPORATION

CONSOLIDATED BALANCE SHEET DETAILS
MAY 31, 1971

	1971	1970
ACCOUNTS RECEIVABLE		
TRADE-NET OF ALLOW FOR DOUBTFUL ACCTS 569,556	$23,019,325.25	$14,737,937.06
ADVANCES TO SUPPLIERS	12,322.50	20,437.27
OTHER	218,626.48	47,163.17
FEDERAL INCOME TAXES		641,647.90
	$23,250,274.31	$15,447,185.39
INVENTORIES		
FINISHED GOODS AND WORK IN PROCESS	$ 5,435,666.39	$ 9,008,323.09
RAW MATERIALS	4,901,788.99	5,604,025.50
INVENTORY RESERVES	1,033,025.43-	950,004.02-
	$ 9,304,429.95	$ 9,662,344.57
PREPAID EXPENSES		
INSURANCE	$ 408,555.84	$ 167,599.20
ADVERTISING	40,687.88	344,456.24
DEBT DISCOUNT	200,107.55	333,832.29
OTHER	447,635.00	124,677.11
	$ 1,096,986.27	$ 970,564.84
UNABSORBED EXPENSES		
MANUFACTURING	$ 1,059,163.52	$ 1,905,366.36
ADVERTISING & SALES	1,789,188.40	1,197,197.39
YOUTH CARE, INCORPORATED		235,450.59
	$ 2,848,351.92	$ 3,338,014.34

	COST AT 12/31/70	CURRENT YEAR ADDITIONS AND RETIREMENTS-NET	TOTAL COST	ACCUMULATED DEPRECIATION OR AMORTIZATION	1971	1970
PROPERTY, PLANT AND EQUIPMENT	$ 6,721,513.96	$ 202,321.13	$ 6,923,835.09	$3,065,317.89	$ 3,858,517.20	$ 4,354,234.92
MOLDS AND DIES - APPRAISAL	$ 6,589,785.25	$	$ 6,589,785.25	$6,150,383.13	$ 439,402.12	$ 1,757,436.77
MOLDS AND DIES - OTHER	4,404,826.22	1,087,868.39	5,492,694.61	2,439,221.48	3,053,473.13	3,338,231.17
	$10,994,611.47	$1,087,868.39	$12,082,479.86	$8,589,604.61	$ 3,492,875.25	$ 5,095,667.94

OTHER ASSETS		
ORGANIZATION EXPENSE	$ 1,523.66	$ 8,536.16
OTHER	35,396.11	13,595.28
	$ 36,919.77	$ 22,131.44
ACCOUNTS PAYABLE		
TRADE	$ 6,371,315.95	$ 9,129,511.09
WITHHOLDING TAXES, ETC.	62,520.60	98,477.92
	$ 6,433,936.55	$ 9,227,989.01
ACCRUED EXPENSES		
SALARIES AND WAGES	$ 388,115.47	$ 496,674.95
PAYROLL TAXES	73,519.74	90,112.17
INTEREST		
LOAN PAYABLE TO BANK	231,619.03	127,630.65
OTHER	132,888.89	311,459.45
INSURANCE	84,965.12	90,524.43
FRANCHISE TAXES	162,470.31	115,437.64
ACCRUED ADVERTISING		167,195.43
OTHER	122,194.92	52,149.51
	$ 1,195,773.48	$ 1,449,599.23

TOPPER CORPORATION

CONSOLIDATED STATEMENT OF OPERATIONS RECAST
FOR THE PERIOD JANUARY 1 TO MAY 31, 1971

	MONTH OF MAY 1971	MONTH OF MAY 1970	YEAR-TO-DATE 1971	YEAR-TO-DATE 1970
INCOME				
NET SALES	$3,729,364.75	$5,386,787.61	$11,737,204.91	$10,626,933.65
TOTAL INCOME	3,729,364.75	5,386,787.61	11,737,204.91	10,626,933.65
COST AND EXPENSES				
COST OF SALES	2,084,136.98	2,732,618.83	6,230,675.69	5,496,235.35
AMORTIZATION OF MOLDS AND DIES				
APPRAISAL				
OTHER	80,902.88	338,305.70	593,798.63	974,186.93
	80,902.88	338,305.70	593,798.63	974,186.93
DEPRECIATION				
APPRAISAL				
OTHER	49,873.11	21,725.00	131,263.70	70,335.35
	49,873.11	21,725.00	131,263.70	70,335.35
OPERATING EXPENSES				
SELLING AND ADVERTISING EXPENSES	697,643.23	1,085,744.93	2,475,090.48	2,591,693.19
ADMINISTRATION AND GENERAL EXPENSES	153,185.44	111,202.51	708,272.18	567,304.62
ENGINEERING, RESEARCH AND DEVELOPMENT	95,571.15	87,242.18	454,857.90	429,051.56
	946,399.82	1,284,189.62	3,638,220.56	3,591,857.35
INTEREST EXPENSE				
BANKS	121,525.04	116,653.13	665,181.27	469,135.55
OTHER	45,802.90	70,681.37	226,125.60	324,511.99
	167,327.94	187,334.50	891,306.87	793,647.54
DEBT DISCOUNT - AMORTIZATION	46,926.70	49,255.98	233,398.36	241,447.87
OTHER DEDUCTIONS	15,057.19-	9,869.08-	92,625.95-	16,037.34
TOTAL COST AND EXPENSES	3,359,430.32	4,603,560.15	11,626,247.76	11,183,719.53
NORMAL PROFIT/LOSS BEFORE SPECIAL CHARGES	369,934.43	783,227.46	110,957.15	556,785.88-
LESS, SPECIAL CHARGES				
EXTRAORDINARY DEPRECIATION AND AMORTIZATION DUE TO RECORDING OF PROPERTY, PLANT AND EQUIPMENT AT APPRAISED VALUE	187,588.11	148,633.09	763,635.44	683,282.06
NET INCOME/LOSS AFTER SPECIAL CHARGES	182,346.32	634,594.37	652,678.29-	1,240,067.94-
PROVISION FOR FEDERAL INCOME TAXES	87,526.23	260,666.06	313,285.58-	661,647.80-
LOSS FROM DISCONTINUED TOILETRIES OPERATIONS		167,092.60		104,746.66
NET INCOME/LOSS	$ 94,820.09	$ 206,835.71	$ 339,392.71-	$ 683,166.80-

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TOPPER CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MAY 31, 1971

NOTE 1 - BANK LOAN:

The Company's financing agreement with banks provides for maximum working capital borrowings of $18,300,000 of which $14,280,175 was outstanding at May 31, 1971 at an interest rate of 3.105% per annum above the higher of the prime rate, or 6%. The Company had other bank loans of $1,500,000 at May 31, 1971 at an interest rate of 1.15% above prime rate.

The lending banks hold security interest in all present and future accounts receivable, inventory and fixed assets including tooling, etc., and, in addition, cash collateral of $1,500,000 at May 31, 1971.

NOTE 2:

1970 results have been adjusted from those previously reported to reflect the allocation of the federal income tax benefits associated with the entire year's operations, which resulted in a profit.

NOTE 3:

In the preparation of interim financial statements, the Company absorbs manufacturing overhead and advertising expenses on the basis of estimated production and sales for the year. Approximately $2,850,000 of such expenses have been deferred at May 31, 1971 and $3,100,000 on May 31, 1970

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TOPPER CORPORATION

ANALYSIS OF SHIPMENTS - NET
MAY 31, 1971
(000 omitted)

ITEM NO.	DESCRIPTION	AMOUNT
	Dawn:	
	Dolls (24 pieces):	
0500	Dawn	$ 442
0501	Glori	223
0502	Angie	262
0503	Dale	62
0504	Gary	363
0505	Ron	64
0506	Van	22
0507	Jessica	318
0510	Long Locks	394
0520	Dancing Dawn	932
0521	Dancing Glori	386
0522	Dancing Angie	230
0523	Dancing Dale	152
0524	Dancing Gary	146
0527	Dancing Jessica	400
0530	Dancing Long Locks	844
0550	Fashion Show	96
0552	Sofa & Telephone	18
0553	Music Box	43
0554	Beauty Parlor	45
0556	Pocketbook	10
0558	Beauty Pageant	559
0561	Dress Shop	235
0562	Double Dance Party	212
0563	6 Doll Case	135
0564	Kevin Dance Party	42
0565	Fancy Feet Dance Party	531
0566	3 Doll Case	224
0567	Dawns Car	164
		7,554
	Outfit Assortments:	
0600	24 pieces	(19)
0601	24 pieces	78
00	24 pieces	(62)
0701	24 pieces	292
0800	24 pieces	(16)
0801	24 pieces	194
		467
	Large Dolls:	
1808	Baby Luv'N Care	57
1827	Smartypants	1,065
		1,122

TOPPER CORPORATION

ANALYSIS OF SHIPMENTS - NET
MAY 31, 1971
(000 omitted)

ITEM NO.	DESCRIPTION	AMOUNT
	Suzy Homemaker:	
2004	Ironing Board	$ 3
2008	Large Blender	37
2009	Vanity	42
2012	Vanity Accessories	1
2014	Food Mixer	58
2018	Medium Oven	33
2024	Floor & Carpet Sweeper	5
2028	Corn Popper	344
2029	Juicer	14
2041	Super Oven	(11)
2044	Travel Mirror	(8)
2046	Regular Iron & Board	10
2061	Ice Cream Maker	31
2062	Ice Delight Maker	48
2063	Soda Fountain	19
2070	Regular Washer	3
2071	Regular Oven	19
2072	Regular Iron	7
2073	Regular Vacuum	14
2074	Refrigerator	4
2075	Hair Dryer	47
2078	Regular Blender	6
		726
	Johnny Lightning:	
4010	Assortment of 98 Cars	(103)
4015	Helmet	6
4016	Assortment of 98 Cars	(185)
4017	Assortment of 98 Cars	(52)
4018	Assortment of 98 Cars	111
4019	Assortment of 98 Cars	16
4025	Trophy Case	281
4026	JL Patch Assortment - 98 pieces	66
	24 Cars:	
4050	Spoiler	(2)
4051	Triple Threat	(4)
4052	Bug Bomb	(4)
4054	Smuggler	(2)
4055	Sand Stormer	(3)
4056	Movin' Van	(1)
4057	Mad Maverick	1
4058	Flame Out	(4)
4059	Nucleon	(4)

TOPPER CORPORATION

ANALYSIS OF SHIPMENTS - NET
MAY 31, 1971

ITEM NO.	DESCRIPTION	AMOUNT
	Johnny Lightning:	
	24 Cars (Concluded):	
4060	Leapin Limo	(2)
4061	Stilleto	(4)
4062	Vicious Vette	(2)
4063	Double Dragster	(1)
4064	Turbine	(2)
4065	32 Ford	(2)
4066	Frantic Ferrari	(3)
4068	Sling Shot	(3)
4069	Whistler	1
4074	Al Unser	1
4075	A. J. Foyt Indy	5
4077	Vulture	1
4081	Wasp	1
4084	Baja	1
		108
	Johnny Lightning Jet Power:	
4102	Competition	45
4110	Assortment - 48 Cars	(83)
		(38)
	Johnny Lightning Rocket 500:	
4301	Rocket 500 Indy	(31)
4302	Pikes Peak	(1)
4303	Cyclone	3
4310	Big Switch El Dorado	113
4320	Champion	134
4321	Big Switch Toronado	302
		520
	Johnny Lightning Customs:	
4410	Custom Car Assortment - 60 pieces	209
	Robotron:	
6910	Gofer	(2)
	Zoomer Boomers - 12 pieces:	
7150	Ash Can	255
7151	Junk Pile	272
7152	Quick Change	247
7153	Happy Hydrant	228
7200	Sand Buggy	4
7201	Midget Racer	1
7205	Goofy Gift Set	2
7300	Zoomer Boomer	253
7301	Zoomer Boomer Motor	127
		1,389

TOPPER CORPORATION

ANALYSIS OF SHIPMENTS - NET
MAY 31, 1971

ITEM NO.	DESCRIPTION	AMOUNT
	Fashions for Dawn and All Her Friends:	
8100	24 piece Outfit Assortment	$ 323
	SPECIAL PACKAGES	322
	TOTAL CURRENT LINE	12,700
	SPECIAL DISCOUNT	(277)
	CLOSEOUT SALES	85
	FOREIGN AND MISCELLANEOUS SALES	5
	DISCOUNT ADJUSTMENTS	(1,381)
	RETURNS	605
	TOTAL	$11,737

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TOPPER CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPORTING SCHEDULES

* * * *

JUNE 30, 1971

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TOPPER CORPORATION

JUNE 30, 1971

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TOPPER CORPORATION

CONSOLIDATED BALANCE SHEET
JUNE 30, 1971

		1971	1970
ASSETS			
CURRENT ASSETS			
CASH-NOTE 1-		$ 2,275,263.00	$ 880,195.99
ACCOUNTS RECEIVABLE - NET		29,077,289.81	18,075,707.87
INVENTORIES-NET		8,540,072.12	9,781,113.48
PREPAID EXPENSES		727,667.59	912,148.71
UNABSORBED EXPENSES		2,547,269.62	3,880,842.67
TOTAL CURRENT ASSETS		$43,167,562.14	$33,530,008.72
PROPERTY, PLANT AND EQUIPMENT-NET		$ 3,810,034.65	$ 4,403,498.93
MOLDS AND DIES-NET		3,192,085.22	4,921,796.78
OTHER ASSETS		50,364.89	21,526.97
TOTALS		$ 7,052,484.76	$ 9,346,822.68
TOTAL ASSETS		$50,220,046.90	$42,876,831.40
LIABILITIES AND STOCKHOLDERS EQUITY			
CURRENT LIABILITIES			
LOAN PAYABLE TO BANK		$20,301,714.17	$17,338,206.45
ACCOUNTS PAYABLE		6,487,333.84	9,325,815.34
ACCRUED EXPENSES		1,137,542.62	1,075,791.29
10% NOTES DUE JANUARY 31, 1972		3,850,000.00	
TOTAL CURRENT LIABILITIES		$31,776,590.63	$27,739,813.11
LONG TERM DEBT		$ 81,139.48	$ 5,200,000.00
FEDERAL INCOME TAXES		$ 669,597.44	
STOCKHOLDERS EQUITY			
PREFERRED STOCK.			
5% CUMULATIVE PREFERRED PAR VALUE $100			
AUTHORIZED 30,000 SHARES			
OUTSTANDING 30,000 SHARES		$ 3,000,000.00	$ 3,000,000.00
COMMON STOCK			
AUTHORIZED 5,000,000 SHARES			
OUTSTANDING 3,777,420 SHARES		3,777,420.00	3,069,824.00
CAPITAL SURPLUS		9,049,222.92	3,153,097.46
SURPLUS		2,956,116.32	1,911,137.01
		$18,782,759.24	$11,134,058.47
LESS, TREASURY STOCK			
5% CUMULATIVE PREFERRED 10,200 SHARES	$1,020,000.00		
COMMON STOCK 50,600 SHARES	70,039.89	1,090,039.89	1,197,040.18
TOTAL STOCKHOLDERS EQUITY		$17,692,719.35	$ 9,937,018.29
TOTAL LIABILITIES & STOCKHOLDERS EQUITY		$50,220,046.90	$42,876,831.40

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TOPPER CORPORATION

CONSOLIDATED BALANCE SHEET DETAILS
JUNE 30, 1971

	COST AT 12/31/70	CURRENT YEAR ADDITIONS AND RETIREMENTS-NET	TOTAL COST	ACCUMULATED DEPRECIATION OR AMORTIZATION	1971	1970
ACCOUNTS RECEIVABLE						
TRADE-NET OF ALLOW FOR DOUBTFUL ACCTS $69,556					$28,740,996.59	$17,431,645.18
ADVANCES TO SUPPLIERS					17,372.58	65,154.04
OTHER					323,970.64	109,480.94
FEDERAL INCOME TAXES						469,427.71
					$29,077,285.81	$18,075,707.87
INVENTORIES						
FINISHED GOODS AND WORK IN PROCESS					$ 5,454,861.98	$ 6,075,476.49
RAW MATERIALS					4,118,495.57	4,655,636.99
INVENTORY RESERVES					1,033,025.43-	950,000.00-
					$ 8,540,017.12	$ 9,781,113.48
PREPAID EXPENSES						
INSURANCE					$ 362,475.67	$ 188,100.54
ADVERTISING					35,915.62	298,604.85
DEBT DISCOUNT					153,798.49	295,416.81
OTHER					175,477.81	130,006.51
					$ 727,667.59	$ 912,149.71
UNABSORBED EXPENSES						
MANUFACTURING					$ 970,489.94	$ 1,955,608.80
ADVERTISING & SALES					1,242,129.88	1,609,755.62
YOUTH CARE, INCORPORATED						315,478.25
EDUCATIONAL TOYS INC					334,649.80	
					$ 2,547,269.62	$ 3,880,842.67
PROPERTY, PLANT AND EQUIPMENT	$ 6,721,513.96	$ 232,051.54	$ 6,953,565.50	$3,143,530.85	$ 3,810,034.65	$ 4,493,499.93
MOLDS AND DIES - APPRAISAL	$ 6,569,765.25	$	$ 6,589,785.25	$6,260,233.66	$ 329,551.59	$ 1,647,610.77
MOLDS AND DIES - OTHER	4,404,926.22	1,166,066.26	5,570,992.48	2,708,383.35	2,862,509.13	3,774,186.01
	$10,974,611.47	$1,166,066.26	$12,160,777.73	$8,968,617.01	$ 3,192,060.72	$ 5,421,796.78
OTHER ASSETS						
ORGANIZATION EXPENSE					$ 1,141.66	$ 8,141.66
OTHER					49,223.23	13,385.31
					$ 50,364.89	$ 21,526.97
ACCOUNTS PAYABLE						
TRADE					$ 6,458,254.26	$ 9,224,006.11
WITHHOLDING TAXES, ETC.					29,079.58	101,809.23
					$ 6,487,333.84	$ 9,325,815.34
ACCRUED EXPENSES						
SALARIES AND WAGES					$ 537,640.88	$ 501,166.85
PAYROLL TAXES					119,323.45	132,162.77
INTEREST						
LOAN PAYABLE TO BANK					135,387.64	146,797.83
OTHER						31,615.19
INSURANCE					84,267.48	10,671.50
FRANCHISE TAXES					162,460.31	114,870.64
OTHER					102,862.86	98,506.51
					$ 1,137,942.62	$ 1,075,791.29

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TOPPER CORPORATION

CONSOLIDATED STATEMENT OF OPERATIONS RECAST
FOR THE PERIOD JANUARY 1 TO JUNE 30, 1971

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	MONTH OF	JUNE	YEAR-TO-DATE	
	1971	1970	1971	1970
INCOME				
NET SALES	$7,575,641.74	$4,932,465.31	$19,312,846.65	$15,559,399.96
TOTAL INCOME	7,575,641.74	4,932,465.31	19,312,846.65	15,559,398.96
COST AND EXPENSES				
COST OF SALES	4,306,763.24	2,694,145.08	10,937,438.73	8,190,380.43
AMORTIZATION OF MOLDS AND DIES				
APPRAISAL				
OTHER	234,345.92	307,493.93	828,144.55	1,281,678.36
	234,345.92	307,493.93	828,144.55	1,281,678.36
DEPRECIATION				
APPRAISAL				
OTHER	36,857.32	36,425.76	168,121.02	106,762.11
	36,857.32	36,425.76	168,121.02	106,762.11
OPERATING EXPENSES				
SELLING AND ADVERTISING EXPENSES	1,228,996.39	801,877.90	3,704,086.87	3,395,371.09
ADMINISTRATION AND GENERAL EXPENSES	139,523.67	121,638.12	847,795.85	690,942.74
ENGINEERING, RESEARCH AND DEVELOPMENT	60,717.88	75,300.49	515,585.78	504,362.03
	1,429,237.94	998,816.51	5,067,468.50	4,590,675.86
INTEREST EXPENSE				
BANKS	133,098.88	140,897.70	798,280.15	610,033.25
OTHER	40,075.12	61,618.63	266,150.72	386,130.52
	173,174.00	202,516.33	1,064,430.87	996,163.77
DEBT DISCOUNT - AMORTIZATION	46,309.06	43,365.48	279,707.42	284,813.35
OTHER DEDUCTIONS	44,116.03-	125.62-	136,541.88-	15,881.72
TOTAL COST AND EXPENSES	6,182,521.45	4,282,637.07	17,808,769.21	15,466,355.60
NORMAL PROFIT/LOSS BEFORE SPECIAL CHARGES	1,393,120.29	649,828.24	1,504,077.44	93,043.36
LESS, SPECIAL CHARGES				
EXTRAORDINARY DEPRECIATION AND AMORTIZATION DUE TO RECORDING OF PROPERTY, PLANT AND EQUIPMENT AT APPRAISED VALUE	150,939.21	160,646.71	914,574.65	843,929.77
NET INCOME/LOSS AFTER SPECIAL CHARGES	1,242,181.08	489,181.53	589,502.79	750,886.41-
PROVISION FOR FEDERAL INCOME TAXES	596,247.02	192,220.09	282,961.44	469,427.71-
LOSS FROM DISCONTINUED TOILETRIES OPERATIONS		98,107.25		202,851.91
NET INCOME/LOSS	$ 645,934.06	$ 198,854.19	$ 306,541.35	$ 484,310.61-

A 2654

TOPPER CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 1971

NOTE 1 - BANK LOAN:

The Company's financing agreement with banks provides for maximum working capital borrowings of $18,500,000 of which $18,551,714 was outstanding at June 30, 1971 at an interest rate of 3.105% per annum above the higher of the prime rate, or 6%. The Company had other bank loans of $1,750,000 at June 30, 1971 at an interest rate of 1.15% above prime rate.

The lending banks hold security interest in all present and future accounts receivable, inventory and fixed assets including tooling, etc., and, in addition, cash collateral of $1,750,000 at June 30, 1971.

NOTE 2:

1970 results have been adjusted from those previously reported to reflect the allocation of the federal income tax benefits associated with the entire year's operations, which resulted in a profit.

NOTE 3:

In the preparation of interim financial statements, the Company absorbs manufacturing overhead and advertising expenses on the basis of estimated production and sales for the year. Approximately $2,200,000 of such expenses have been deferred at June 30, 1971 and $3,565,000 on June 30, 1970.

NOTE 4:

Start-up costs, in the amount of $334,000, have been deferred for the Educational Toys, Inc. operation as of June 30, 1971. This compares to an amount of $315,000 for Youth Care, Incorporated for the same period ending June 30, 1970.

* * * *

A 2656

TOPPER CORPORATION

ANALYSIS OF SHIPMENTS - NET
JUNE 30, 1971
(000 omitted)

ITEM NO.	DESCRIPTION	AMOUNT
	Dawn:	
	Dolls (24 pieces):	
0500	Dawn	$ 605
0501	Glori	264
0502	Angie	298
0503	Dale	70
0504	Gary	435
0505	Ron	140
0506	Van	43
0507	Jessica	458
0508	Head To Toe	94
0510	Long Locks	545
0520	Dancing Dawn	1,106
0521	Dancing Glori	454
0522	Dancing Angie	263
0523	Dancing Dale	153
0524	Dancing Gary	199
0525	Dancing Ron	26
0526	Dancing Van	3
0527	Dancing Jessica	502
0530	Dancing Long Locks	951
0550	Fashion Show	168
0551	Action Car	1
0552	Sofa & Telephone	27
0553	Music Box	75
0554	Beauty Parlor	67
0556	Pocketbook	11
0558	Beauty Pageant	1,509
0561	Dress Shop	379
0562	Double Dance Party	502
0563	6 Doll Case	157
0564	Kevin Dance Party	83
0565	Fancy Feet Dance Party	995
0566	3 Doll Case	290
0567	Dawns Car	224
0568	Deluxe Beauty Pageant	44
		11,141
	Outfit Assortments:	
0600	24 pieces	(19)
0601	24 pieces	75
0700	24 pieces	(60)
0701	24 pieces	276
0800	24 pieces	(16)
0801	24 pieces	139
		395
	Large Dolls:	
1808	Baby Luv'N Care	59
1827	Smartypants	3,037
1828	Black Smartypants	118
		3,214

A 2657

TOPPER CORPORATION

ANALYSIS OF SHIPMENTS - NET
JUNE 30, 1971
(000 omitted)

ITEM NO.	DESCRIPTION	AMOUNT
	Suzy Homemaker:	
2004	Ironing Board	
2008	Large Blender	$ 3
2009	Vanity	45
2012	Vanity Accessories	61
2014	Food Mixer	1
2018	Medium Oven	83
2024	Floor & Carpet Sweeper	43
2028	Corn Popper	10
2029	Juicer	404
2041	Super Oven	35
2044	Travel Mirror	(3)
2046	Regular Iron & Board	31
2061	Ice Cream Maker	23
2062	Ice Delight Maker	50
2063	Soda Fountain	74
2070	Regular Washer	42
2071	Regular Oven	6
2072	Regular Iron	33
2073	Regular Vacuum	8
2074	Refrigerator	46
2075	Hair Dryer	5
2078	Regular Blender	70
		39
		1,109
3000	King Ding	
	Ding-A-Ling:	437
3007	Super Pyramid Set	
3008	Robot & Space Skyway	139
3009	Turn Around Set	118
		256
		950
	Johnny Lightning:	
4010	Assortment of 98 Cars	
4015	Helmet	(103)
4016	Assortment of 98 Cars	8
4017	Assortment of 98 Cars	(185)
4018	Assortment of 98 Cars	(52)
4019	Assortment of 98 Cars	110
4025	Trophy Case	25
4026	JL Patch Assortment - 98 pieces	367
	24 Cars:	63
4050	Spoiler	
4051	Triple Threat	(2)
4052	Bug Bomb	(3)
4054	Smuggler	(4)
4055	Sand Stormer	(2)
4056	Movin' Van	(2)
4057	Mad Maverick	(1)
4058	Flame Out	1
4059	Nucleon	(4)
		(4)

TOPPER CORPORATION

ANALYSIS OF SHIPMENTS - NET
JUNE 30, 1971

ITEM NO.	DESCRIPTION	AMOUNT
	Johnny Lightning:	
	24 Cars (concluded):	
4060	Leapin' Limo	$ (2)
4061	Stilleto	(4)
4062	Vicious Vette	(1)
4063	Double Dragster	(1)
4064	Turbine	(2)
4065	32 Ford	(2)
4066	Frantic Ferrari	(3)
4068	Sling Shot	(3)
4069	Whistler	1
4074	Al Unser	1
4075	A. J. Foyt Indy	5
4077	Vulture	1
4081	Wasp	1
4084	Baja	1
		204
	Jet Power:	
4102	Competition	45
4104	Power Compressor	9
4110	Assortment - 48 Cars	(103)
		(49)
	Rocket 500:	
4301	Rocket 500 Indy	51
4302	Pikes Peak	(1)
4303	Cyclone	91
4310	Big Switch "El Dorado"	180
4311	Big Switch "International"	16
4320	"Champion"	191
4321	Big Switch "Tornado"	421
		949
	Customs:	
4410	Custom Car Assortment - 60 pieces	232
4411	Custom Car Assortment - 60 pieces	80
		312
	Robotron:	
6910	Gofer	(2)

TOPPER CORPORATION

ANALYSIS OF SHIPMENTS - NET
JUNE 30, 1971
(000 omitted)

ITEM NO.	DESCRIPTION	AMOUNT
	Zoomer-Boomers:	
	12 pieces:	
7103	Fire Truck	$ 1
7150	Ash Can	300
7151	Junk Pile	302
7152	Quick Change	268
7153	Happy Hydrant	275
7200	Sand Buggy	30
7201	Midget Racer	10
7300	Zoomer-Boomer	301
7301	Zoomer-Boomer Motor	276
		1,763
	Gift Sets:	
7155	Construction Set	46
7160	Fire Set	57
7205	Goofy Gift Set	40
7252	Garage Set	16
7253	Parking Tower Set	64
		223
	Fashions for Dawn and All Her Friends:	
8100	24 piece Outfit Assortment	444
8380	24 piece Outfit Assortment - Boy	39
		483
	SPECIAL PACKAGES	427
	TOTAL CURRENT LINE	21,119
	SPECIAL DISCOUNT	(283)
	CLOSEOUT SALES	122
	FOREIGN AND MISCELLANEOUS SALES	32
	DISCOUNT ADJUSTMENTS	(1,177)
	RETURNS	(500)
	TOTAL	$19,313

A 2660

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TOPPER CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPORTING SCHEDULES

* * * *

JULY 31, 1971

A 2661

TOPPER CORPORATION

JULY 31, 1971

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TOPPER CORPORATION

CONSOLIDATED BALANCE SHEET
JULY 31, 1971

		1971	1970
ASSETS			
CURRENT ASSETS			
CASH-NOTE 1-		$ 1,888,104.76	$ 1,687,853.00
ACCOUNTS RECEIVABLE - NET		29,411,407.37	20,006,295.95
INVENTORIES-NET		10,598,681.13	8,699,795.79
PREPAID EXPENSES		666,930.33	846,750.92
UNABSORBED EXPENSES		2,366,577.79	3,624,293.70
TOTAL CURRENT ASSETS		$44,931,596.38	$34,864,989.36
PROPERTY, PLANT AND EQUIPMENT-NET		$ 3,750,114.09	$ 4,344,707.88
MOLDS AND DIES-NET		2,917,229.98	4,666,141.98
OTHER ASSETS		13,747.89	20,476.37
TOTALS		$ 6,681,091.96	$ 9,031,326.23
TOTAL ASSETS		$51,612,688.34	$43,896,315.59
LIABILITIES AND STOCKHOLDERS EQUITY			
CURRENT LIABILITIES			
LOAN PAYABLE TO BANK		$21,617,467.26	$18,639,236.91
ACCOUNTS PAYABLE		7,449,724.59	8,900,968.59
ACCRUED EXPENSES		755,019.68	868,349.69
10% NOTES DUE JANUARY 31,1972		3,850,000.00	
TOTAL CURRENT LIABILITIES		$33,672,211.53	$28,408,555.19
LONG TERM DEBT		$ 76,867.60	$ 5,200,000.00
FEDERAL INCOME TAXES		$ 496,755.25	
STOCKHOLDERS EQUITY			
PREFERRED STOCK.			
5% CUMMULATIVE PREFERRED PAR VALUE $100			
AUTHORIZED 30,000 SHARES			
OUTSTANDING 30,000 SHARES		$ 3,000,000.00	$ 3,000,000.00
COMMON STOCK			
AUTHORIZED 5,000,000 SHARES			
OUTSTANDING 3,777,420 SHARES		3,777,420.00	3,069,824.00
CAPITAL SURPLUS		8,945,838.04	3,142,933.96
SURPLUS		2,768,435.81	2,271,841.33
		$18,491,693.85	$11,484,599.29
LESS, TREASURY STOCK			
5% CUMULATIVE PREFERRED 10,548 SHARES	$1,054,800.00		
COMMON STOCK 50,600 SHARES	70,039.89	1,124,839.89	1,196,838.89
TOTAL STOCKHOLDERS EQUITY		$17,366,853.96	$10,287,760.40
TOTAL LIABILITIES & STOCKHOLDERS EQUITY		$51,612,688.34	$43,896,315.59

TOPPER CORPORATION

CONSOLIDATED BALANCE SHEET DETAILS
JULY 31, 1971

	COST AT 12/31/70	CURRENT YEAR ADDITIONS AND RETIREMENTS-NET	TOTAL COST	ACCUMULATED DEPRECIATION OR AMORTIZATION	1971	1970
ACCOUNTS RECEIVABLE						
TRADE-NET OF ALLOW FOR DOUBTFUL ACCTS $69,556					$29,102,198.55	$19,718,844.28
ADVANCES TO SUPPLIERS					12,322.58	74,806.43
OTHER					296,881.24	92,931.96
FEDERAL INCOME TAXES						119,713.18
					$29,411,402.37	$20,006,295.85
INVENTORIES						
FINISHED GOODS AND WORK IN PROCESS					$ 6,344,986.06	$ 5,020,569.10
RAW MATERIALS					5,286,720.50	4,629,227.69
INVENTORY RESERVES					1,033,025.43-	950,003.00-
					$10,598,681.13	$ 8,699,795.79
PREPAID EXPENSES						
INSURANCE					$ 309,205.24	$ 179,127.85
ADVERTISING					31,327.39	250,753.46
DEBT DISCOUNT					132,092.27	270,777.52
OTHER					194,205.43	146,092.09
					$ 666,830.33	$ 846,750.92
UNABSORBED EXPENSES						
MANUFACTURING					$ 814,407.27	$ 2,004,446.90
ADVERTISING & SALES					1,233,761.46	1,135,716.07
YOUTH CARE, INCORPORATED						484,130.73
EDUCATIONAL TOYS INC					318,409.06	
					$ 2,366,577.79	$ 3,624,293.70
PROPERTY, PLANT AND EQUIPMENT	$ 6,721,513.96	$ 250,343.94	$ 6,971,857.90	$3,221,743.81	$ 3,750,114.09	$ 4,344,707.88
MOLDS AND DIES - APPRAISAL	$ 6,589,785.25	$	$ 6,589,785.25	$6,370,084.19	$ 219,701.06	$ 1,537,784.77
MOLDS AND DIES - OTHER	4,404,826.22	1,295,652.87	5,700,479.09	3,001,541.12	2,698,937.97	3,129,357.21
	$10,994,611.47	$1,295,652.87	$12,290,264.34	$9,371,625.31	$ 2,918,639.03	$ 4,666,141.98
OTHER ASSETS						
ORGANIZATION EXPENSE					$ 759.66	$ 7,747.16
OTHER					12,988.23	12,729.21
					$ 13,747.89	$ 20,476.37
ACCOUNTS PAYABLE						
TRADE					$ 7,406,966.31	$ 8,807,122.61
WITHHOLDING TAXES, ETC.					42,758.28	93,845.98
					$ 7,449,724.59	$ 8,900,968.59
ACCRUED EXPENSES						
SALARIES AND WAGES					$ 172,559.08	$ 309,915.29
PAYROLL TAXES					51,150.19	50,508.70
INTEREST						
LOAN PAYABLE TO BANK					182,515.02	167,891.14
OTHER						96,555.33
INSURANCE					85,750.19	72,228.85
FRANCHISE TAXES					167,853.83	114,870.64
OTHER					95,191.37	56,379.74
					$ 755,019.68	$ 868,349.69

A 2663

TOPPER CORPORATION

CONSOLIDATED STATEMENT OF OPERATIONS RECAST
FOR THE PERIOD JANUARY 1 TO JULY 31, 1971

	MONTH OF JULY 1971	MONTH OF JULY 1970	YEAR-TO-DATE 1971	YEAR-TO-DATE 1970
INCOME				
NET SALES	$3,189,543.45	$6,505,328.11	$22,502,390.10	$22,064,727.07
TOTAL INCOME	3,189,543.45	6,505,328.11	22,502,390.10	22,064,727.07
COST AND EXPENSES				
COST OF SALES	2,035,616.19	3,551,108.48	12,573,054.92	11,741,488.91
AMORTIZATION OF MOLDS AND DIES				
APPRAISAL	298,515.79	299,982.69	1,126,660.34	1,581,661.05
OTHER				
	298,515.79	299,982.69	1,126,660.34	1,581,661.05
DEPRECIATION				
APPRAISAL	37,612.86	25,875.54	205,733.87	132,637.64
OTHER				
	37,612.86	25,875.54	205,733.87	132,637.64
OPERATING EXPENSES				
SELLING AND ADVERTISING EXPENSES	567,953.89	1,183,801.46	4,272,040.76	4,579,172.55
ADMINISTRATION AND GENERAL EXPENSES	166,009.95	142,088.69	1,013,805.80	833,031.43
ENGINEERING, RESEARCH AND DEVELOPMENT	77,231.53	88,879.40	592,817.31	593,241.43
	811,195.37	1,414,769.55	5,878,663.87	6,005,445.41
INTEREST EXPENSE				
BANKS	164,741.30	165,457.33	963,021.45	775,490.58
OTHER	33,108.46	65,965.26	299,259.18	452,095.78
	197,849.76	231,422.59	1,262,280.63	1,227,586.36
DEBT DISCOUNT - AMORTIZATION	21,706.22	24,659.29	301,413.64	309,472.64
OTHER DEDUCTIONS	29,766.47-	1,456.59	166,308.35-	17,338.31
FRANCHISE TAXES	5,543.52		5,543.52	
TOTAL COST AND EXPENSES	3,378,273.24	5,549,274.73	21,187,042.44	21,015,630.32
NORMAL PROFIT/LOSS BEFORE SPECIAL CHARGES	188,729.79-	956,053.38	1,315,347.66	1,049,096.75
LESS, SPECIAL CHARGES				
EXTRAORDINARY DEPRECIATION AND AMORTIZATION DUE TO RECORDING OF PROPERTY, PLANT AND EQUIPMENT AT APPRAISED VALUE	171,357.91	152,117.57	1,085,932.57	996,047.35
NET INCOME/LOSS AFTER SPECIAL CHARGES	360,087.70-	803,935.81	229,415.09	53,049.40
PROVISION FOR FEDERAL INCOME TAXES	172,842.19-	349,714.53	110,119.25	119,713.18-
LOSS FROM DISCONTINUED TOILETRIES OPERATIONS		93,516.96		296,368.87
NET INCOME/LOSS	$ 187,245.51-	$ 360,[illegible]2	$ 119,295.84	$ 123,606.29-

A 2664

TOPPER CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JULY 31, 1971

NOTE 1 - BANK LOAN:

The Company's financing agreement with banks provides for maximum working capital borrowings of $21,000,000 of which $19,867,467 was outstanding at July 31, 1971 at an interest rate of 3.105% per annum above the higher of the prime rate, or 6%. The Company had other bank loans of $1,750,000 at July 31, 1971 at an interest rate of 1.15% above prime rate.

The lending banks hold security interest in all present and future accounts receivable, inventory and fixed assets including tooling, etc., and, in addition, cash collateral of $1,750,000 at July 31, 1971.

NOTE 2:

1970 results have been adjusted from those previously reported to reflect the allocation of the federal income tax benefits associated with the entire year's operations, which resulted in a profit.

NOTE 3:

In the preparation of interim financial statements, the Company absorbs manufacturing overhead and advertising expenses on the basis of estimated production and sales for the year. Approximately $2,000,000 of such expenses have been deferred at July 31, 1971 and $3,100,000 on July 31, 1970.

NOTE 4:

Start-up costs, in the amount of $318,000, have been deferred for the Educational Toys, Inc. operation as of July 31, 1971. This compares to an amount of $484,000 for Youth Care, Incorporated for the same period ended July 31, 1970.

* * * *

A 2666

TOPPER CORPORATION

ANALYSIS OF SHIPMENTS - NET
JULY 31, 1971
(000 omitted)

ITEM NO.	DESCRIPTION	AMOUNT
	Dawn:	
	Dolls (24 pieces):	
0500	Dawn	$ 749
0501	Glori	318
0502	Angie	358
0503	Dale	83
0504	Gary	463
0505	Ron	150
0506	Van	60
0507	Jessica	482
0508	Head To Toe	160
0510	Long Locks	566
0520	Dancing Dawn	1,166
0521	Dancing Glori	466
0522	Dancing Angie	276
0523	Dancing Dale	171
0524	Dancing Gary	241
0525	Dancing Ron	47
0526	Dancing Van	3
0527	Dancing Jessica	520
0530	Dancing Long Locks	976
0550	Fashion Show	174
0551	Action Car	1
0552	Sofa & Telephone	36
0553	Music Box	89
0554	Beauty Parlor	67
0556	Pocketbook	14
0558	Beauty Pageant	1,688
0561	Dress Shop	393
0562	Double Dance Party	533
0563	6 Doll Case	174
0564	Kevin Dance Party	105
0565	Fancy Feet Dance Party	1,040
0566	3 Doll Case	320
0567	Dawns Car	238
0568	DeLuxe Beauty Pageant	44
		12,171
	Outfit Assortments:	
0600	24 pieces	(19)
0601	24 pieces	75
0700	24 pieces	(61)
0701	24 pieces	369
0800	24 pieces	(16)
0801	24 pieces	240
		588
	Large Dolls:	
1808	Baby Luv'N Care	59
1827	Smartypants	3,934
1828	Black Smartypants	127
		4,120

A 2667

TOPPER CORPORATION

ANALYSIS OF SHIPMENTS - NET
JULY 31, 1971
(000 omitted)

ITEM NO.	DESCRIPTION	AMOUNT
	Suzy Homemaker:	
2004	Ironing Board	$ 4
2008	Large Blender	47
2009	Vanity	69
2012	Vanity Accessories	1
2014	Food Mixer	106
2018	Medium Oven	51
2024	Floor & Carpet Sweeper	11
2028	Corn Popper	457
2029	Juicer	66
2044	Travel Mirror	93
2046	Regular Iron & Board	25
2061	Ice Cream Maker	62
2062	Ice Delight Maker	80
2063	Soda Fountain	47
2064	Candy Maker	(1)
2070	Regular Washer	26
2071	Regular Oven	34
2072	Regular Iron	8
2073	Regular Vacuum	55
2074	Refrigerator	7
2075	Hair Dryer	98
2078	Regular Blender	76
		1,422
	Ding-A-Ling:	
3000	King Ding	696
3001	Power Pack - 12 pieces	20
3005	Bridge Set	57
3007	Super Pyramid Set	150
3008	Robot & Space Skyway	133
3009	Turn Around Set	324
3015	Robot Assortment - 24 pieces	54
		1,434
	Johnny Lightning:	
4010	Assortment of 98 Cars	(103)
4015	Helmet	9
4016	Assortment of 98 Cars	(185)
4017	Assortment of 98 Cars	(52)
4018	Assortment of 98 Cars	131
4019	Assortment of 98 Cars	30
4025	Trophy Case	423
4026	JL Patch Assortment - 98 Cars	64
	24 Cars:	
4050	Spoiler	(3)
4051	Triple Threat	(3)
4052	Bug Bomb	(4)
4054	Smuggler	(2)
4055	Sand Stormer	(3)

TOPPER CORPORATION

ANALYSIS OF SHIPMENTS - NET
JULY 31, 1971
(000 omitted)

ITEM NO.	DESCRIPTION	AMOUNT
	Johnny Lightning:	
	24 Cars (concluded):	
4056	Movin' Van	$ (1)
4057	Mad Maverick	1
4058	Flame Out	(4)
4059	Nucleon	(4)
4060	Leapin' Limo	(2)
4061	Stilleto	(5)
4062	Vicious Vette	(2)
4063	Double Dragster	(1)
4064	Turbine	(2)
4065	32 Ford	(2)
4066	Frantic Ferrari	(3)
4068	Sling Shot	(3)
4069	Whistler	1
4074	Al Unser	1
4075	A. J. Foyt Indy	5
4077	Vulture	1
4081	Wasp	1
4084	Baja	2
		285
	Jet Power:	
4102	Competition	45
4105	Power Compressor	5
4110	Assortment - 48 Cars	(111)
		(61)
	Rocket 500:	
4301	Rocket 500 Indy	130
4302	Pikes Peak	(1)
4303	Cyclone	91
4310	Big Switch "El Dorado"	231
4311	Big Switch "International"	23
4320	"Champion"	195
4321	Big Switch "Tornado"	441
		1,110
	Customs:	
4410	Custom Car Assortment - 60 pieces	242
4411	Custom Car Assortment - 60 pieces	129
		371
4420	Big Rig	1
4421	Hairy Hauler	1
4422	Pipe Dream	1
4423	Twin Blaster	1
		4
	Robotron:	
6910	Gofer	(2)

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TOPPER CORPORATION

ANALYSIS OF SHIPMENTS - NET
JULY 31, 1971
(000 omitted)

ITEM NO.	DESCRIPTION	AMOUNT
	Zoomer-Boomers:	
	12 pieces:	
7100	Dump Truck	
7101	Cement Truck	$ 3
7103	Fire Truck	2
7150	Ash Can	10
7151	Junk Pile	317
7152	Quick Change	324
7153	Happy Hydrant	289
7200	Sand Buggy	302
7201	Midget Racer	44
7203	Frantic Ford	11
7300	Zoomer-Boomer	5
7301	Zoomer-Boomer Motor	346
		329
		1,982
	Gift Sets:	
7105	Silly Slicks	
7155	Construction	3
7160	Fire Truck	68
7205	Goofys	73
7252	Garage	42
7253	Parking Tower	37
7254	Parking Tower Module	92
		3
		318
	Fashions for Dawn and All Her Friends:	
8100	24 piece Outfit Assortment	
8200	24 piece Outfit Assortment - Boy	507
8380	24 piece Outfit Assortment	88
		36
		631
	SPECIAL PACKAGES	461
	TOTAL CURRENT LINE	24,834
	SPECIAL DISCOUNT	(289)
	CLOSEOUT SALES	159
	FOREIGN AND MISCELLANEOUS SALES	45
	DISCOUNT ADJUSTMENTS	(1,763)
	RETURNS	(484)
	TOTAL	$22,502

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TOPPER CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPORTING SCHEDULES

* * * *

"CONFIDENTIAL

AUGUST 31, 1971

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TOPPER CORPORATION

AUGUST 31, 1971

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TUPPER CORPORATION

CONSOLIDATED BALANCE SHEET
AUGUST 31, 1971

		1971	1970
ASSETS			
CURRENT ASSETS			
CASH-NOTE 1-		$ 1,921,716.22	$ 1,673,087.65
ACCOUNTS RECEIVABLE - NET		30,321,326.07	21,971,297.41
INVENTORIES-NET		11,497,201.40	9,078,352.78
PREPAID EXPENSES		620,615.80	778,292.35
UNABSORBED EXPENSES		2,357,967.37	3,625,175.53
TOTAL CURRENT ASSETS		$46,718,830.86	$37,131,205.13
PROPERTY, PLANT AND EQUIPMENT-NET		$ 3,743,564.61	$ 4,318,200.11
MOLDS AND DIES-NET		2,429,242.53	4,393,957.25
OTHER ASSETS		13,365.89	23,132.39
TOTALS		$ 6,186,173.33	$ 8,737,29[illegible]
TOTAL ASSETS		$52,965,003.69	$45,868,495.03
LIABILITIES AND STOCKHOLDERS EQUITY			
CURRENT LIABILITIES			
LOAN PAYABLE TO BANK		$22,463,976.24	$19,337,261.39
ACCOUNTS PAYABLE		7,652,645.08	9,352,519.31
ACCRUED EXPENSES		875,745.79	974,245.37
10% NOTES DUE JANUARY 31,1972		3,850,000.00	
TOTAL CURRENT LIABILITIES		$34,852,369.11	$29,644,027.07
LONG TERM DEBT		$ 75,867.60	$ 5,312,551.[illegible]
FEDERAL INCOME TAXES		$ 546,770.99	253,719.63
STOCKHOLDERS EQUITY			
PREFERRED STOCK.			
5% CUMMULATIVE PREFERRED PAR VALUE $100 AUTHORIZED 30,000 SHARES OUTSTANDING 30,000 SHARES		$ 3,000,000.00	$ 3,000,000.00
COMMON STOCK AUTHORIZED 5,000,000 SHARES OUTSTANDING 3,779,826 SHARES		3,779,626.00	3,059,324.00
CAPITAL SURPLUS		8,951,390.32	3,127,753.95
SURPLUS		2,822,619.56	2,657,413.30
		$18,553,635.88	$11,555,005.25
LESS, TREASURY STOCK			
5% CUMMULATIVE PREFERRED 10,548 SHARES	$1,054,800.00		
COMMON STOCK 50,800 SHARES	70,039.89	1,124,839.89	1,194,839.89
TOTAL STOCKHOLDERS EQUITY		$17,428,795.99	$10,555,167.37
TOTAL LIABILITIES & STOCKHOLDERS EQUITY		$52,965,003.69	$45,868,495.03

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[illegible]

TOPPER CORPORATION

CONSOLIDATED BALANCE SHEET DETAILS
AUGUST 31, 1971

	COST AT 12/31/70	CURRENT YEAR ADDITIONS AND RETIREMENTS-NET	TOTAL COST	ACCUMULATED DEPRECIATION OR AMORTIZATION	1971	1970
ACCOUNTS RECEIVABLE						
TRADE-NET OF ALLOW FOR DOUBTFUL ACCTS 569,556					$30,041,932.62	$21,740,590.23
ADVANCES TO SUPPLIERS					72,322.58	136,142.14
OTHER					157,070.67	94,565.04
					$33,321,326.07	$21,971,297.41
INVENTORIES						
FINISHED GOODS AND WORK IN PROCESS					$ 6,490,161.60	$ 5,199,397.21
RAW MATERIALS					6,040,065.23	4,928,955.57
INVENTORY RESERVES					1,033,025.43-	95[illegible]-
					$11,497,201.40	$ 9,07[illegible],352.7[illegible]
PREPAID EXPENSES						
INSURANCE					$ 245,500.54	$ 174,307.08
ADVERTISING					25,739.16	139,573.27
DEBT DISCOUNT					110,380.05	246,1[illegible].63
OTHER					187,933.05	165,293.77
					$ 620,618.80	$ 778,292.35
UNABSORBED EXPENSES						
MANUFACTURING					$ 892,554.06	$ 1,954,127.63
OTHER					160.02	
ADVERTISING & SALES					1,131,935.35	725,539.45
YOUTH CARE, INCORPORATED						935,506.45
EDUCATIONAL TOYS INC					333,317.62	
					$ 2,357,967.87	$ 3,625,175.58
PROPERTY, PLANT AND EQUIPMENT	$ 6,721,513.96	$ 322,007.42	$ 7,043,521.38	$3,299,956.77	$ 3,743,564.61	$ 4,31[illegible],20[illegible].1[illegible]
MOLDS AND DIES - APPRAISAL	$ 6,589,785.25	$	$ 6,589,785.25	$6,479,934.72	$ 109,350.53	$ 1,427,953.77
MOLDS AND DIES - OTHER	4,404,826.22	1,555,721.05	5,970,547.27	3,651,118.22	2,319,429.05	2,970,[illegible]
	$10,994,611.47	$1,565,721.05	$12,560,332.52	$10,131,052.94	$ 2,429,279.58	$ 4,398,557.55
OTHER ASSETS						
ORGANIZATION EXPENSE					$ 377.66	$ 7,352.0[illegible]
OTHER					12,988.23	12,7[illegible].23
					$ 13,365.89	$ 20,132.[illegible]
ACCOUNTS PAYABLE						
TRADE					$ 7,640,413.22	$ 9,287,950.73
WITHHOLDING TAXES, ETC.					22,231.86	74,593.58
					$ 7,662,645.08	$ 9,362,5[illegible]
ACCRUED EXPENSES						
SALARIES AND WAGES					$ 262,493.58	$ 379,794.09
PAYROLL TAXES					73,902.35	62,155.05
INTEREST						
LOAN PAYABLE TO BANK					225,025.22	169,249.78
DANCER-FITZGERALD-SAMPLE INC.						95,035.71
OTHER						91,907.65
INSURANCE					94,118.22	
FRANCHISE TAXES					172,782.92	114,373.04
OTHER					44,923.50	57,530.45
					$ 875,745.79	$ 974,245.37

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TUPPER CORPORATION

CONSOLIDATED STATEMENT OF OPERATIONS RECAST
FOR THE PERIOD JANUARY 1 TO AUGUST 31, 1971

	MONTH OF AUGUST 1971	1970	YEAR-TO-DATE 1971	1970
INCOME				
NET SALES	$4,877,157.19	$5,996,410.49	$27,379,547.29	$28,061,137.56
TOTAL INCOME	4,877,157.19	5,996,410.49	27,379,547.29	28,061,137.56
COST AND EXPENSES				
COST OF SALES	2,698,034.59	3,129,040.14	15,271,089.51	14,870,529.05
AMORTIZATION OF MOLDS AND DIES				
APPRAISAL				
OTHER	621,321.20	384,140.11	1,747,981.54	1,965,301.15
	621,321.20	384,140.11	1,747,981.54	1,965,301.15
DEPRECIATION				
APPRAISAL				
OTHER	29,307.89	30,685.51	235,041.77	163,323.15
	29,307.89	30,685.51	235,041.77	163,323.15
OPERATING EXPENSES				
SELLING AND ADVERTISING EXPENSES	820,607.25	1,066,147.47	5,092,648.01	5,645,320.02
ADMINISTRATION AND GENERAL EXPENSES	173,925.11	113,755.50	1,187,730.91	946,755.93
ENGINEERING, RESEARCH AND DEVELOPMENT	84,787.19	77,317.70	677,604.50	670,559.13
	1,079,319.55	1,257,220.67	6,957,983.42	7,262,635.08
INTEREST EXPENSE				
BANKS	169,290.02	171,791.75	1,132,311.47	947,282.33
OTHER	32,083.33	85,015.15	331,342.51	547,110.93
	201,373.35	256,806.90	1,463,653.98	1,494,393.25
DEBT DISCOUNT - AMORTIZATION	21,706.22	24,659.29	323,119.86	334,131.93
OTHER DEDUCTIONS	39,370.31-	4,741.56-	205,678.56-	12,595.75
FRANCHISE TAXES	4,929.09		10,472.61	
TOTAL COST AND EXPENSES	4,616,621.58	5,087,811.06	25,803,664.03	26,103,4[illegible].85
NORMAL PROFIT/LOSS BEFORE SPECIAL CHARGES	260,535.61	908,599.43	1,575,883.26	1,957,496.18
LESS, SPECIAL CHARGES				
EXTRAORDINARY DEPRECIATION AND AMORTIZATION DUE TO RECORDING OF PROPERTY, PLANT AND EQUIPMENT AT APPRAISED VALUE	156,336.12	154,785.10	1,242,208.68	1,150,632.45
NET INCOME/LOSS AFTER SPECIAL CHARGES	104,199.49	753,814.33	333,674.58	806,863.73
PROVISION FOR FEDERAL INCOME TAXES	50,015.74	373,432.61	160,194.99	253,719.63
LOSS FROM DISCONTINUED TOILETRIES OPERATIONS		5,195.25-		291,173.42
NET INCOME/LOSS	$ 54,183.75	$ 385,576.97	$ 173,479.59	$ 261,970.68

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TOPPER CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 1971

NOTE 1 - BANK LOAN:

The Company's financing agreement with banks provides for maximum working capital borrowings of $21,000,000 of which $20,713,978 was outstanding at August 31, 1971, at an interest rate of 3.105% per annum above the higher of the prime rate, or 6%. The Company had other bank loans of $1,750,000 at August 31, 1971, at an interest rate of 1.15% above prime rate.

The lending banks hold security interest in all present and future accounts receivable, inventory and fixed assets including tooling, etc., and, in addition, cash collateral of $1,750,000 at August 31, 1971.

NOTE 2:

1970 results have been adjusted from those previously reported to reflect the allocation of the federal income tax benefits associated with the entire year's operations, which resulted in a profit.

NOTE 3:

In the preparation of interim financial statements, the Company absorbs manufacturing overhead and advertising expenses on the basis of estimated production and sales for the year. Approximately $3,000,000 of such expenses have been deferred at August 31, 1971 and $2,650,000 on August 31, 1970.

NOTE 4:

Start-up costs, in the amount of $333,000, have been deferred for the Educational Toys, Inc. operation as of August 31, 1971. This compares to an amount of $935,000 for Youth Care, Incorporated for the same period ended August 31, 1970.

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TOPPER CORPORATION

ANALYSIS OF SHIPMENTS - NET
AUGUST 31, 1971
(000 omitted)

ITEM NO.	DESCRIPTION	AMOUNT
	Dawn:	
	Dolls (24 pieces):	$ 767
0500	Dawn	321
0501	Glori	360
0502	Angie	99
0503	Dale	517
0504	Gary	158
0505	Ron	68
0506	Van	509
0507	Jessica	599
0508	Head To Toe	619
0510	Long Locks	1,232
0520	Dancing Dawn	490
0521	Dancing Glori	345
0522	Dancing Angie	182
0523	Dancing Dale	295
0524	Dancing Gary	92
0525	Dancing Ron	3
0526	Dancing Van	545
0527	Dancing Jessica	1,017
0530	Dancing Long Locks	190
0550	Fashion Show	1
0551	Action Car	40
0552	Sofa & Telephone	108
0553	Music Box	86
0554	Beauty Parlor	15
0556	Pocketbook	1,950
0558	Beauty Pageant	421
0561	Dress Shop	569
0562	Double Dance Party	189
0563	6 Doll Case	122
0564	Kevin Dance Party	1,160
0565	Fancy Feet Dance Party	366
0566	3 Doll Case	249
0567	Dawns Car	54
0568	DeLuxe Beauty Pageant	9
0573	Floral Stands - 12 pieces	13,747
	Outfit Assortments:	(19)
0600	24 pieces	75
0601	24 pieces	(61)
0700	24 pieces	427
0701	24 pieces	(16)
0800	24 pieces	268
0801	24 pieces	674
	Large Dolls:	62
1808	Baby Luv'N Care	5,654
1827	Smartypants	192
1828	Black Smartypants	5,908

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TOPPER CORPORATION

ANALYSIS OF SHIPMENTS - NET
AUGUST 31, 1971
(000 omitted)

ITEM NO.	DESCRIPTION	AMOUNT
	Suzy Homemaker:	
2004	Ironing Board	$ 4
2008	Large Blender	49
2009	Vanity	77
2012	Vanity Accessories	1
2014	Food Mixer	122
2018	Medium Oven	68
2024	Floor & Carpet Sweeper	12
2028	Corn Popper	533
2029	Juicer	99
2044	Travel Mirror	147
2046	Regular Iron & Board	28
2061	Ice Cream Maker	72
2062	Ice Delight Maker	90
2063	Soda Fountain	53
2064	Candy Maker	(1)
2070	Regular Washer	94
2071	Regular Oven	78
2072	Regular Iron	8
2073	Regular Vacuum	66
2074	Refrigerator	12
2075	Hair Dryer	116
2076	Regular Sink	9
2078	Regular Blender	97
		1,834
	Ding-A-Ling:	
3000	King Ding	967
3001	Power Pack - 12 pieces	57
3004	Space Skyway Straight Track Set	3
3005	Bridge Set	119
3007	Super Pyramid Set	180
3008	Robot & Space Skyway	148
3009	Turn Around Set	407
3015	Robot Assortment - 24 pieces	233
		2,114
	Johnny Lightning:	
4010	Assortment of 98 Cars	(103)
4015	Helmet	12
4016	Assortment of 98 Cars	(185)
4017	Assortment of 98 Cars	(52)
4018	Assortment of 98 Cars	218
4019	Assortment of 98 Cars	36
4025	Trophy Case	498
4026	JL Patch Assortment - 98 Cars	64
	24 Cars:	
4050	Spoiler	(3)
4051	Triple Threat	(4)
4052	Bug Bomb	(4)
4054	Smuggler	(3)
4055	Sand Stormer	(3)

"CONFIDENTIAL"

TOPPER CORPORATION

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ANALYSIS OF SHIPMENTS - NET
AUGUST 31, 1971
(000 omitted)

ITEM NO.	DESCRIPTION	AMOUNT
	Johnny Lightning:	
	24 Cars (concluded)	
4056	Movin' Van	$ (1)
4057	Mad Maverick	1
4058	Flame Out	(4)
4059	Nucleon	4
4060	Leapin' Limo	(2)
4061	Stilleto	(5)
4062	Vicious Vette	(2)
4063	Double Dragster	(1)
4064	Turbine	(2)
4065	32 Ford	(1)
4066	Frantic Ferrari	(3)
4068	Sling Shot	(3)
4069	Whistler	1
4074	Al Unser	1
4075	A. J. Foyt Indy	6
4077	Vulture	1
4081	Wasp	1
4084	Baja	2
		464
	Jet Power:	
4102	Competition	45
4105	Power Compressor	8
4110	Assortment - 48 Cars	(111)
		(58)
	Rocket 500:	
4301	Rocket 500 Indy	205
4302	Pikes Peak	(1)
4303	Cyclone	91
4310	Big Switch "El Dorado"	239
4311	Big Switch "International"	32
4320	"Champion"	198
4321	Big Switch "Tornado"	461
		1,225
	Customs:	
4410	Custom Car Assortment - 60 pieces	263
4411	Custom Car Assortment - 60 pieces	141
		404
4420	Big Rig	1
4421	Hairy Hauler	1
4422	Pipe Dream	1
4423	Twin Blaster	1
		4
	Robotron:	
6910	Gofer	(2)

TOPPER CORPORATION

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ANALYSIS OF SHIPMENTS - NET
AUGUST 31, 1971
(000 omitted)

ITEM NO.	DESCRIPTION	AMOUNT	
	Zoomer-Boomers:		
	12 pieces:		
7100	Dump Truck	$ 3	
7101	Cement Truck	5	
7103	Fire Truck	32	
7150	Ash Can	337	
7151	Junk Pile	343	
7152	Quick Change	299	
7153	Happy Hydrant	318	
7200	Sand Buggy	60	
7201	Midget Racer	12	
7202	Hot Rod	1	
7203	Frantic Ford	6	
7300	Zoomer-Boomer	369	
7301	Zoomer-Boomer Motor	362	
		2,147	
	Gift Sets:		
7105	Silly Slicks	14	
7155	Construction	124	
7160	Fire Truck	99	
7161	DeLuxe Gift Set	16	
7205	Goofys	44	
7252	Garage	62	
7253	Parking Tower	114	
7254	Parking Tower Module	3	
		476	
	Fashions for Dawn and All Her Friends:		
8100	24 piece Outfit Assortment	548	
8200	24 piece Outfit Assortment - Boy	53	
8300	24 piece Outfit Assortment	35	
8380	24 piece Outfit Assortment	137	
		773	July
	SPECIAL PACKAGES	708	461
	TOTAL CURRENT LINE	30,418	24834
	SPECIAL DISCOUNT	(296)	(207)
	CLOSEOUT SALES	400	159
	FOREIGN AND MISCELLANEOUS SALES	52	45
	DISCOUNT ADJUSTMENTS	→ (2,330)	(1,79
	RETURNS	(865)	(454)
	TOTAL	$27,379	22502

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TOPPER CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPORTING SCHEDULES

* * * *

SEPTEMBER 30, 1971

TOPPER CORPORATION

SEPTEMBER 30, 1971

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TOPPER CORPORATION

CONSOLIDATED BALANCE SHEET
SEPTEMBER 30, 1971

		1971	1970
ASSETS			
CURRENT ASSETS			
CASH-NOTE 1-		$ 1,378,003.40	$ 1,686,626.02
ACCOUNTS RECEIVABLE - NET		36,184,275.74	22,561,956.13
INVENTORIES-NET		10,878,229.20	8,544,653.41
PREPAID EXPENSES		1,092,471.72	1,054,122.36
UNABSORBED EXPENSES		1,074,521.90	2,973,075.15
TOTAL CURRENT ASSETS		$50,607,501.96	$36,822,333.07
PROPERTY, PLANT AND EQUIPMENT-NET		$ 3,801,520.58	$ 4,284,610.19
MOLDS AND DIES-NET		2,444,502.29	4,131,405.53
OTHER ASSETS		12,988.23	20,154.88
TOTALS		$ 6,259,011.10	$ 8,436,170.60
TOTAL ASSETS		$56,866,5[illegible]3.06	$45,258,503.67
LIABILITIES AND STOCKHOLDERS EQUITY			
CURRENT LIABILITIES			
LOAN PAYABLE TO BANK		$ 9,962,794.79	$19,097,491.96
ACCOUNTS PAYABLE		9,238,509.82	8,678,354.46
ACCRUED EXPENSES		1,015,254.29	1,170,236.55
10% NOTES DUE JANUARY 31,1972		3,850,000.00	3,350,000.00
TOTAL CURRENT LIABILITIES		$24,066,558.90	$32,296,082.97
LONG TERM DEBT		$12,326,867.60	$ 1,958,310.08
FEDERAL INCOME TAXES		$ 1,745,558.80	163,000.00
STOCKHOLDERS EQUITY			
PREFERRED STOCK.			
5% CUMMULATIVE PREFERRED PAR VALUE $100			
AUTHORIZED 30,000 SHARES			
OUTSTANDING 30,000 SHARES		$ 3,000,000.00	$ 3,000,000.00
COMMON STOCK			
AUTHORIZED 9,000,000 SHARES			
OUTSTANDING 3,779,826 SHARES		3,779,826.00	3,069,824.00
CAPITAL SURPLUS		8,951,390.32	3,309,663.42
SURPLUS		4,121,151.33	2,563,524.09
		$19,852,367.65	$11,943,011.51
LESS, TREASURY STOCK			
5% CUMULATIVE PREFERRED 10,548 SHARES	$1,054,800.00		
COMMON STOCK 50,600 SHARES	70,039.89	1,124,839.89	1,103,900.89
TOTAL STOCKHOLDERS EQUITY		$18,727,527.76	$10,839,110.62
TOTAL LIABILITIES & STOCKHOLDERS EQUITY		$56,866,513.06	$45,258,503.67

A 2682

TOPPER CORPORATION

CONSOLIDATED BALANCE SHEET DETAILS
SEPTEMBER 30, 1971

	COST AT 12/31/70	CURRENT YEAR ADDITIONS AND RETIREMENTS-NET	TOTAL COST	ACCUMULATED DEPRECIATION OR AMORTIZATION	1971	1970
ACCOUNTS RECEIVABLE						
TRADE-NET OF ALLOW FOR DOUBTFUL ACCTS $69,556					$35,994,619.97	$22,343,146.75
ADVANCES TO SUPPLIERS					12,352.94	97,372.42
OTHER					177,302.83	121,336.96
					$36,184,275.74	$22,561,856.13
INVENTORIES						
FINISHED GOODS AND WORK IN PROCESS					$ 5,906,872.27	$ 5,653,707.22
RAW MATERIALS					6,004,432.36	3,982,549.17
INVENTORY RESERVES					1,033,025.43-	999,703.07-
					$10,878,279.20	$ 8,546,653.41
PREPAID EXPENSES						
INSURANCE					$ 258,367.08	$ 169,790.69
ADVERTISING					24,445.00	178,924.27
DEBT DISCOUNT					466,179.83	506,276.83
OTHER					343,479.81	180,130.60
					$ 1,092,471.72	$ 1,054,122.36
UNABSORBED EXPENSES						
MANUFACTURING					$ 807,093.18	$ 1,823,867.49
ADVERTISING & SALES					234,615.00	1,087,365.81
YOUTH CARE, INCORPORATED						61,841.85
EDUCATIONAL TOYS INC					32,813.72	
					$ 1,074,521.90	$ 2,973,075.15
PROPERTY, PLANT AND EQUIPMENT	$ 6,721,513.96	$ 457,631.80	$ 7,179,145.76	$ 3,377,625.18	$ 3,801,520.58	$ 4,294,610.19
MOLDS AND DIES - APPRAISAL	$ 6,589,785.25	$	$ 6,589,785.25	$ 6,589,785.25	$	$ 1,318,132.77
MOLDS AND DIES - OTHER	4,404,826.22	1,917,298.25	6,322,124.47	3,877,622.18	2,444,502.29	2,813,272.76
	$10,994,611.47	$1,917,298.25	$12,911,909.72	$10,467,407.43	$ 2,444,502.29	$ 4,131,405.53
OTHER ASSETS						
ORGANIZATION EXPENSE					$	$ 6,958.16
OTHER					12,948.23	13,196.72
					$ 12,948.23	$ 20,154.88
ACCOUNTS PAYABLE						
TRADE					$ 9,150,678.78	$ 8,660,824.54
WITHHOLDING TAXES, ETC.					87,831.04	17,529.92
					$ 9,238,509.82	$ 8,678,354.46
ACCRUED EXPENSES						
SALARIES AND WAGES					$ 324,569.50	$ 437,487.75
PAYROLL TAXES					120,780.94	88,844.49
INTEREST						
LOAN PAYABLE TO BANK					230,275.07	161,795.93
OTHER					5,444.44	190,545.36
INSURANCE					62,568.31	6,117.23
FRANCHISE TAXES					250,912.27	130,041.14
ACCRUED ADVERTISING						94,983.00
OTHER					20,703.76	60,419.62
					$ 1,015,254.29	$ 1,170,236.55

A 2683

TOPPER CORPORATION

CONSOLIDATED STATEMENT OF OPERATIONS RECAST
FOR THE PERIOD JANUARY 1 TO SEPTEMBER 30, 1971

	MONTH OF SEPTEMBER		YEAR-TO-DATE	
	1971	1970	1971	1970
INCOME				
NET SALES	$10,399,142.15	$6,724,820.01	$37,778,689.44	$34,785,957.57
TOTAL INCOME	10,399,142.15	6,724,820.01	37,778,689.44	34,785,957.57
COST AND EXPENSES				
COST OF SALES	4,930,705.61	3,760,089.31	20,201,795.12	18,638,618.36
AMORTIZATION OF MOLDS AND DIES				
APPRAISAL				
OTHER	367,472.57	225,950.08	2,115,454.11	2,191,752.24
	367,472.57	225,950.08	2,115,454.11	2,191,752.24
DEPRECIATION				
APPRAISAL				
OTHER	48,146.00	31,304.14	283,187.75	194,712.29
	48,146.00	31,304.14	283,187.75	194,712.29
OPERATING EXPENSES				
SELLING AND ADVERTISING EXPENSES	1,847,067.99	1,200,822.01	6,939,716.00	6,846,142.03
ADMINISTRATION AND GENERAL EXPENSES	174,563.57	212,483.18	1,367,294.48	1,159,270.11
ENGINEERING, RESEARCH AND DEVELOPMENT	103,504.81	83,277.34	781,111.31	753,836.47
	2,130,138.37	1,495,582.53	9,088,121.79	8,759,248.61
INTEREST EXPENSE				
BANKS	170,177.97	134,611.52	1,302,489.44	1,086,893.85
OTHER	37,527.77		368,870.28	547,110.93
	207,705.74	134,611.52	1,671,359.72	1,634,004.78
DEBT DISCOUNT - AMORTIZATION	21,704.22	24,591.43	344,826.08	358,723.36
OTHER DEDUCTIONS	20,822.03-	3,716.12	234,500.69-	16,312.87
FRANCHISE TAXES	78,129.35	41,645.00	88,601.96	41,695.03
TOTAL COST AND EXPENSES	7,755,181.83	5,739,633.13	33,558,845.84	31,835,074.51
NORMAL PROFIT/LOSS BEFORE SPECIAL CHARGES	2,643,960.32	985,186.88	4,219,843.60	2,950,883.06
LESS, SPECIAL CHARGES				
EXTRAORDINARY DEPRECIATION AND AMORTIZATION DUE TO RECORDING OF PROPERTY, PLANT AND EQUIPMENT AT APPRAISED VALUE	146,640.74	150,198.41	1,388,909.44	1,309,030.86
NET INCOME/LOSS AFTER SPECIAL CHARGES	2,497,319.58	834,988.47	2,830,934.16	1,641,852.20
PROVISION FOR FEDERAL INCOME TAXES	1,198,787.81	553,280.37	1,358,922.80	807,000.00
LOSS FROM DISCONTINUED TOILETRIES OPERATIONS		375,602.31		666,775.73
NET INCOME/LOSS	$ 1,298,531.77	$ 93,894.21-	$ 1,472,011.36	$ 168,076.47

A 2684

TUPPER CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 1971

NOTE 1 - BANK LOAN:

The Company's financing agreement with banks provides for maximum working capital borrowings of $21,000,000 of which $8,712,794 was outstanding at September 30, 1971, at an interest rate of 3.105% per annum above the higher of the prime rate, or 6%. The Company had other bank loans of $1,250,000 at September 30, 1971, at an interest rate of 1.15% above prime rate.

The lending banks hold security interest in all present and future accounts receivable, inventory and fixed assets including tooling, etc., and, in addition, cash collateral of $1,250,000 at September 30, 1971.

NOTE 2:

1970 results have been adjusted from those previously reported to reflect the allocation of the federal income tax benefits associated with the entire year's operations, which resulted in a profit.

NOTE 3:

In the preparation of interim financial statements, the Company absorbs manufacturing overhead and advertising expenses on the basis of estimated production and sales for the year. Approximately $1,080,000 of such expenses have been deferred at September 30, 1971 and $2,900,000 on September 30, 1970.

NOTE 4:

Start-up costs, in the amount of $32,800, have been deferred for the Educational Toys, Inc. operation as of September 30, 1971. This compares to an amount of $61,800 for Youth Care, Incorporated for the same period ended September 30, 1970.

NOTE 5:

Long-term debt includes $7,000,000 due December 31, 1976 with interest to be paid at 5½% above prime rate (not in excess of 14%, nor less than 11½%); and $5,250,000 convertible subordinated notes due September 30, 1986 with interest of 7½%. Three hundred and fifty thousand shares of common stock have been reserved for the possible conversion of the subordinated notes.

* * * *

A 2685

A 2686

TOPPER CORPORATION

ANALYSIS OF SHIPMENTS - NET
SEPTEMBER 30, 1971
(000 omitted)

ITEM NO.	DESCRIPTION	AMOUNT
	Dawn:	
	Dolls (24 pieces):	
0500	Dawn	$ 907
0501	Glori	351
0502	Angie	421
0503	Dale	104
0504	Gary	699
0505	Ron	175
0506	Van	77
0507	Jessica	598
0508	Head To Toe	1,700
0510	Long Locks	758
0520	Dancing Dawn	1,415
0521	Dancing Glori	512
0522	Dancing Angie	436
0523	Dancing Dale	188
0524	Dancing Gary	414
0525	Dancing Ron	147
0526	Dancing Van	36
0527	Dancing Jessica	678
0530	Dancing Long Locks	1,129
0550	Fashion Show	424
0551	Action Car	1
0552	Sofa & Telephone	56
0553	Music Box	151
0554	Beauty Parlor	87
0556	Pocketbook	19
0558	Beauty Pageant	2,936
0561	Dress Shop	482
0562	Double Dance Party	638
0563	6 Doll Case	200
0564	Kevin Dance Party	130
0565	Fancy Feet Dance Party	1,343
0566	3 Doll Case	410
0567	Dawns Car	285
0568	DeLuxe Beauty Pageant	73
0573	Floral Stands - 12 pieces	35
		18,015
	Outfit Assortments:	
0600	24 pieces	(19)
0601	24 pieces	80
0700	24 pieces	(61)
0701	24 pieces	592
0800	24 pieces	(16)
0801	24 pieces	316
		892
	Large Dolls:	
1808	Baby Luv'N Care	63
1827	Smartypants	7,946
1828	Black Smartypants	270
		8,279

A 2687

TOPPER CORPORATION

ANALYSIS OF SHIPMENTS - NET
SEPTEMBER 30, 1971
(000 omitted)

ITEM NO.	DESCRIPTION	AMOUNT
	Suzy Homemaker:	
2004	Ironing Board	$ 5
2008	Large Blender	55
2009	Vanity	101
2012	Vanity Accessories	1
2014	Food Mixer	139
2018	Medium Oven	72
2024	Floor & Carpet Sweeper	14
2028	Corn Popper	678
2029	Juicer	69
2041	Super Oven	25
2044	Travel Mirror	95
2046	Regular Iron & Board	29
2061	Ice Cream Maker	82
2062	Ice Delight Maker	110
2063	Soda Fountain	63
2064	Candy Maker	(1)
2070	Regular Washer	33
2071	Regular Oven	54
2072	Regular Iron	12
2073	Regular Vacuum	71
2074	Refrigerator	15
2075	Hair Dryer	121
2078	Regular Blender	112
		1,955
	Ding-A-Ling:	
3000	King Ding	2,011
3001	Power Pack - 12 pieces	139
3004	Space Skyway Straight Track Set	5
3005	Bridge Set	238
3007	Super Pyramid Set	275
3008	Robot & Space Skyway	225
3009	Turn Around Set	509
3015	Robot Assortment - 24 pieces	883
3025	Robot Assortment - 24 pieces	207
3030	Robot Assortment - 24 pieces	1
		4,493
	Johnny Lightning:	
4010	Assortment of 98 Cars	(103)
4015	Helmet	20
4016	Assortment of 98 Cars	(185)
4017	Assortment of 98 Cars	(52)
4018	Assortment of 98 Cars	370
4019	Assortment of 98 Cars	38
4025	Trophy Case	649
4026	JL Patch Assortment - 98 Cars	64
	24 Cars:	
4050	Spoiler	(3)
4051	Triple Threat	(4)
4052	Bug Bomb	(4)
4054	Smuggler	(3)
4055	Sand Stormer	(3)

TOPPER CORPORATION

ANALYSIS OF SHIPMENTS - NET
SEPTEMBER 30, 1971
(000 omitted)

ITEM NO.	DESCRIPTION	AMOUNT
	Johnny Lightning:	
	24 Cars (Concluded):	
4056	Movin' Van	$ -
4057	Mad Maverick	1
4058	Flame Out	(4)
4059	Nucleon	(4)
4060	Leapin' Limo	(2)
4061	Stilleto	(5)
4062	Vicious Vette	(2)
4063	Double Dragster	(1)
4064	Turbine	(2)
4065	32 Ford	(1)
4066	Frantic Ferrari	(3)
4068	Sling Shot	(3)
4069	Whistler	1
4074	Al Unser	2
4075	A. J. Foyt Indy	6
4077	Vulture	1
4081	Wasp	1
4084	Baja	2
		771
	Jet Power:	
4102	Competition	45
4105	Power Compressor	8
4110	Assortment - 48 Cars	(111)
		(58)
	Rocket 500:	
4301	Rocket 500 Indy	256
4302	Pikes Peak	(1)
4303	Cyclone	91
4310	Big Switch "El Dorado"	246
4311	Big Switch "International"	38
4320	"Champion"	201
4321	Big Switch "Tornado"	484
		1,315
	Customs:	
4410	Custom Car Assortment - 60 pieces	273
4411	Custom Car Assortment - 60 pieces	146
		419
4420	Big Rig	1
4421	Hairy Hauler	1
4422	Pipe Dream	1
4423	Twin Blaster	1
		4
	Robotron:	
6910	Gofer	(2)

A 2689

TOPPER CORPORATION

ANALYSIS OF SHIPMENTS - NET
SEPTEMBER 30, 1971
(000 omitted)

ITEM NO.	DESCRIPTION	AMOUNT
	Zoomer-Boomers:	
	12 pieces:	
7100	Dump Truck	47
7101	Cement Truck	42
7102	Wrecker	51
7103	Fire Truck	110
7150	Ash Can	360
7151	Junk Pile	368
7152	Quick Change	323
7153	Happy Hydrant	343
7200	Sand Buggy	119
7201	Midget Racer	111
7202	Hot Rod	14
7203	Frantic Ford	56
7300	Zoomer-Boomer	399
7301	Zoomer-Boomer Motor	399
		2,742
	Gift Sets:	
7105	Silly Slicks	32
7155	Construction	247
7160	Fire Truck	142
7161	DeLuxe Gift Set	18
7205	Goofys	60
7252	Garage	86
7253	Parking Tower	148
7254	Parking Tower Module	4
		737
	Fashions for Dawn and All Her Friends:	
8100	24 piece Outfit Assortment	657
8200	24 piece Outfit Assortment - Boy	67
8300	24 piece Outfit Assortment	54
8380	24 piece Outfit Assortment	219
		997
	SPECIAL PACKAGES	850
	TOTAL CURRENT LINE	41,409
	SPECIAL DISCOUNT	(297)
	CLOSEOUT SALES	436
	FOREIGN AND MISCELLANEOUS SALES	54
	EDUCATIONAL TOYS, INC.	71
	DISCOUNT ADJUSTMENTS	(2,717)
	RETURNS	(1,177)
	TOTAL	$37,779

A 2690

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TOPPER CORPORATION

PRELIMINARY FINANCIAL STATEMENTS
AS OF DECEMBER 31, 1970

AND

PROJECTION OF OPERATIONS
FOR THE PERIOD ENDING DECEMBER 31, 1971

A 2691

PROJECTED PROFIT AND LOSS STATEMENT
RECAST FOR THE PERIOD
FROM [illegible] 1, AND TO DEC [illegible]
(000 OMITTED)

	1970 TOPPER CORP.	1970 YOUTH CITE, INC	1970 TOTAL	196
SALES NET	64262	1738	66000	37
COST OF SALES	38336	1086	39422	316
GROSS PROFIT	25926	652	26578	220
OPERATING EXPENSES				
DEPRECIATION AND AMORTIZATION	3631	133	3764	237
SELLING AND ADVERTISING EXPENSE	12138	1827	13965	109
GENERAL AND ADMINISTRATIVE EXPENSE	1596	290	1886	148
ENGINEERING, RESEARCH & DEVELOPMENT	1006	67	1073	85
INTEREST EXPENSE	2317	37	2354	139
DEBT DISCOUNT EXPENSE	470	-	470	-
OTHER DEDUCTIONS	-	-	-	46
	21178	2354	23532	174
NORMAL PROFIT (LOSS)	4748	(1702)	3046	454
EXTRAORDINARY DEPRECIATION AND AMORTIZATION DUE TO RECORDING OF FIXED ASSETS AT APPRAISED VALUES	1831	-	1831	133
NET PROFIT (LOSS) BEFORE PROVISION FOR FEDERAL TAXES	2917	(1702)	1215	271
PROVISION FOR FEDERAL TAXES	(1450)	850	(600)	133
NET PROFIT	1467	(852)	615	138

[illegible]

A 2692
HOPPER CORPORATION

A-1

PROJECTED CONSOLIDATED BALANCE SHEET
DECEMBER 31, 1970
(000 OMITTED)

		1970	1969
CURRENT ASSETS			
CASH		4300	2503
ACCOUNTS RECEIVABLE - NET		31800	17307
INVENTORIES - NET			
ELIZABETH	5600		
ORIENT	950	6550	6513
PREPAID EXPENSES		1064	660
TOTAL CURRENT ASSETS		43714	27041
FIXED ASSETS		7200	8510
OTHER ASSETS		461	780
TOTAL ASSETS		51375	36331
CURRENT LIABILITIES			
LOANS PAYABLE - BANKS		21059	14230
ACCOUNTS PAYABLE AND ACCRUED EXPENSES		13000	7522
10% NOTES PAYABLE DUE JUNE 30, 1971		1350	-
8% NOTES PAYABLE JUNE 2, 1970		-	2079
TOTAL CURRENT LIABILITIES		35409	23837
LONG TERM DEBT		3950	4600
DEFERRED TAXES		600	-
STOCKHOLDERS' EQUITY			
PREFERRED STOCK		3000	3000
COMMON STOCK		3079	2549
CAPITAL SURPLUS		3318	1214
EARNED SURPLUS		3109	2494
		12506	9257
LESS: TREASURY STOCK		1090	1373
TOTAL STOCKHOLDERS' EQUITY		11416	[illegible]
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY		[illegible]	36331

A 2693

B

PROJECTED PROFIT AND LOSS STATEMENT

[illegible] - FOR THE PERIOD

FROM JANUARY 1 1971 TO DECEMBER 31, 1971

(000 OMITTED)

SALES - NET	68000
COST OF SALES	40184
GROSS PROFIT	27816
OPERATING EXPENSES:	
DEPRECIATION AND AMORTIZATION	3100
SELLING AND ADVERTISING EXPENSE	12270
GENERAL AND ADMINISTRATIVE EXPENSE	1761
ENGINEERING, RESEARCH & DEVELOPMENT	1115
INTEREST EXPENSE	2206
DEBT DISCOUNT EXPENSE	436
FRANCHISE TAXES	250
OTHER DEDUCTIONS	100
	21238
NORMAL PROFIT (LOSS)	6578
EXTRAORDINARY DEPRECIATION AND AMORTIZATION DUE TO RECORDING OF FIXED ASSETS AT APPRAISED VALUES	1500
NET PROFIT (LOSS) BEFORE PROVISION FOR FEDERAL TAXES	5078
PROVISION FOR FEDERAL TAXES	2500
NET PROFIT	2578

C

PROJECTED CONSOLIDATED BALANCE SHEET

DECEMBER 31 1971

(000 OMITTED)

ASSETS

CURRENT ASSETS:	
CASH	600
ACCOUNTS RECEIVABLE - NET	27450
INVENTORIES - NET	6550
PREPAID EXPENSES	1050
TOTAL CURRENT ASSETS	35550
FIXED ASSETS	4600
OTHER ASSETS	25
TOTAL ASSETS	40175

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:	
LOANS PAYABLE - BANKS	8550
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	7780
10% NOTES PAYABLE DUE JANUARY 31, 1972	3850
TOTAL CURRENT LIABILITIES	20180
DEFERRED TAXES	3100
STOCKHOLDERS' EQUITY:	
PREFERRED STOCK	3000
COMMON STOCK	3379
CAPITAL SURPLUS	6018
EARNED SURPLUS	5588
	17985
LESS: TREASURY STOCK	1090
TOTAL STOCKHOLDERS' EQUITY	16895
TOTAL LIABILITIES + STOCKHOLDERS' EQUITY	40175

TOPPER CORPORATION A 2695 1/21/71

D

PROJECTION ANALYSIS OF RECEIVABLES AND INVENTORY

1/1/71 - 1/31/72

(000 OMITTED)

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	NE	JULY	AUGUST	SEPT.	OCTOBER	NOV.	DEC.	TOTAL	JANU 197
		Credit Sale v. 6 MM	4 MM 3 MM	7 MM 5 MM	10 MM 15 MM	9 MM 6 MM	6000	5.0	6.0	6.5 -				
ACCOUNTS RECEIVABLE														
BEGINNING BALANCE	31800	21068	20805	22631	24632	23304	24696	26508	28159	30696	31922	33749	31800	27
ADD: NET SALES	100	800	3100	3600	4200	5202	6200	7800	9000	9200	11700	7000	65000	5
TOTAL	31900	21868	23905	26231	28832	28506	30896	34308	37159	39896	43622	40749	96800	2791
LESS: COLLECTIONS	10800	1030	1240	1565	5495	3775	4355	6115	6430	8040	10040	13065	71950	1646
RESERVE	32	33	34	34	33	33	33	34	33	34	33	34	400	-
BALANCE - END	21068	20805	22631	24632	23304	24696	26508	28159	30696	31922	33749	27450	27450	1150
		Collections 1893	5 MM	3.6 MM	2.6 MM	2.4 MM								
INVENTORY														
BALANCE BEGINNING	6550	7061	7412	7537	7727	8159	8549	8831	8919	8735	8647	7354	6550	655
ADD: PRODUCTION *	565	494	1828	2179	2752	3253	3709	4483	4788	4851	4873	4089	38684	5
TOTAL	7115	7555	9240	9716	10479	11412	12258	13314	13707	13586	13520	11443	45234	711
LESS: SHIPMENTS	54	143	1703	1989	2320	2863	3427	4395	4972	4939	6166	4893	38684	30
BALANCE - END	7061	7412	7537	7727	8159	8549	8831	8919	8735	8647	7354	6550	6550	681
ESTIMATE OF FINISHED GOODS AND SELECTED RAW MATERIALS	3500	3500	3500	3500	3500	3500	4000	4000	4000	3750	3500	3000		300

* ON BASIS OF FULL ABSORPTION. ACTUAL MONTHLY RESULTS WILL BE PRESENTED WITH DEFERRED MANUFACTURING OVERHE

A 2696 · 1/11/71

PROJECTED CASH FLOW STATEMENT
1-1-71 — 1-31-72
(000 OMITTED)

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
RECEIPTS	10800	1033	1240	1565	8495	3775	4355	5115	6430	8250	10020	13065	77193
DISBURSEMENT:													
MATERIAL	150	313	1189	1447	1918	2465	2902	3595	2903	4021	4480	3372	37773
LABOR	17	75	120	150	170	297	212	260	257	274	300	220	2205
OVERHEAD	398	406	519	592	644	631	595	622	628	616	593	576	6720
	565	794	1828	2189	[illegible]	3393	3709	4482	4788	[illegible]	5373	4168	32624
TOOLS AND FIXED ASSETS	200	300	300	300	200	100	100	—	—	100	200	200	2000
OPERATING EXPENSES	945	923	1155	872	1489	1284	890	750	1531	1306	1778	1566	14746
NOTES PAYABLE						1345						133	1313
INTEREST - OTHER						250						150	43
INTEREST - BANK	175	103	120	135	135	125	145	150	175	175	165		1753
DIVIDEND		99											99
TOTAL DISBURSEMENT	1885	2219	3233	3496	4556	[illegible]	4844	5473	6244	6822	7356	6142	56055
NET CASH SURPLUS (DEFICIT)	8915	(1189)	[illegible]	(1931)	3919	(2607)	(420)	722	(64)	1328	2514	[illegible]	15265
[illegible]	(3990)	(3000)	—	1200	(1000)	—	—	(500)	—	—	(500)	(1000)	(7290)
LOAN REPAYMENT (BORROWING)	5925	(4189)	(2163)	(731)	2919	(2607)	(429)	222	(64)	1322	2014	1525	7975
UTILIZED LOAN BALANCE BEGINNING	16550	10750	14939	17047	17778	14859	17466	17755	17733	17797	16430	14435	16550
UTILIZED LOAN BALANCE - END	10700	14939	17047	17778	14859	17466	17755	17533	17797	16430	14455	12555	2550

…ATION . A 2697

… EXPENSE … CASH REQUIREMENTS

1971

B

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	JAN
OPERATING EXPENSES:														
ADVERTISING - OTHER	97	65	191	137	226	24	132	78	240	171	229	317	2139	
T…	500	500	500	325	885	651	369	302	889	1039	1144	800	7904	
SALES	142	162	234	192	176	177	179	174	191	199	218	183	2227	
PRESIDENTS OFFICE	15	16	18	21	17	15	22	19	21	16	15	15	210	
FINANCE	125	123	139	134	127	132	127	128	130	125	125	134	1551	
ENGINEERING	62	59	67	63	59	61	61	61	61	58	60	61	733	
RESEARCH & DEVELOPMENT	32	31	35	34	32	31	31	32	32	30	30	32	382	
TOTAL OPERATING EXPENSES	977	956	1184	956	1522	1317	923	794	1564	1640	1821	1542	15146	
NON CASH	32	33	34	34	33	33	33	34	33	34	33	34	400	
NET OPERATING EXPENSES	945	923	1150	872	1489	1284	890	760	1531	1606	1788	1508	14746	
FACTORY OVERHEAD:	78	76	85	84	81	81	81	83	80	79	78	81	967	
PURCHASING	74	78	153	207	227	231	183	214	210	213	150	144	2086	
PRODUCTION	46	45	71	85	94	104	114	111	113	112	114	88	1097	
WAREHOUSE & SHIPPING	19	26	22	19	31	23	27	24	36	25	48	19	319	
TRAFFIC	181	181	188	197	189	170	190	190	189	187	183	184	2229	1
PLANT & QUALITY CONTROL	391	456	519	572	624	621	595	622	628	616	573	516	6730	3

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TEPPER CORPORATION A 2698

PROJECTION OF COLLATERAL - 1971

F

	JAN.	FEB.	MAR.	APRIL	MAY	JUNE	JULY	AUGUST	SEPT	OCT	NOV	DEC
ACCOUNTS RECEIVABLE: ESTIMATED ELIGIBLE	12000	20000	21500	23500	23000	21500	25000	25500	26000	27000	28000	24000
COLLATERAL	9600	16000 14300	17200	18400	17600	17100	19200	20000	20500	21600	22400	19200
LOAN BALANCE	10700	14884	17047	17778	14854	[illegible]	17055	17733	17757	16479	14475	8550
		–	–	–	–	–	–	–	–	–	–	–
NON RECEIVABLE REQUIREMENT	1100											
		14.00										
Ten G.O. ui	7789-	14386-	16590.00	16800.00	13900							

* [illegible] billing due August 1971 eligible on February 1, 1971

A 2699

[illegible] CORPORATION
PROJECTION OF CASH REQ - 1971 +

1/4/71

	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC
ACCOUNTS RECEIVABLE: ESTIMATED ELIGIBLE	12000	14000	15500	17000	16400	16600	19500	22500	26000	27000	25500	24000
COLLATERAL	9600	11200	12400	13600	13120	13280	15600	18000	20800	21600	20400	19200
LOAN BALANCE	10700	14889	17047	17778	14859	17466	17955	17733	17797	16459	14475	2550
NON RECEIVABLE REQUIREMENT	1100	3689	4647	4178	1739	4186	2355	—	—	—	—	—
SUPPORTED BY:												
INVOICES DUE IN AUGUST +	6000	6500	6200	5900	5600	5500	4500	2500	—	—	—	—
FINISHED GOODS AND SELECTED RAW MATERIALS	3500	3500	3500	3500	3500	3500	4000	4000	4000	3750	3500	3000
FIXED ASSETS AT BOOK VALUE	4000	4000	3900	3900	3800	3800	3700	3700	3600	[illegible]	3500	3500
MOLDS AT BOOK VALUE	3100	3100	3100	3100	3000	[illegible]	2600	2300	2100	[illegible]	1700	1600
20% RESERVE ON RECEIVABLES ++	2400	2800	3100	3400	3280	3320	3900	4500	5200	5400	5100	4800
	19000	19900	19800	19800	19150	18420	18700	17000	14800	14550	14300	12900

+ ASSUMES BILLING DUE AUGUST 1971 INELIGIBLE AS RECEIVABLE COLLATERAL

++ LOSSES ON BAD DEBTS SINCE 10/1/66 AMOUNT TO LESS THAN $50,000 IN TOTAL ON CUMULATIVE SALES OF APPROXIMATELY $155,000,000 THROUGH 1/31/71

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A 2700

P. EXH 352
6/19/74

TOPPER CORPORATION

ACCOUNTS RECEIVABLE DETAIL TRIAL BALANCE

7/31/71

9999399 CATCH ALL ACCOUNT

CATCH ALL ACCOUNT 0010

INVOICE	SEQ.	DATE	MEMO	DATE	TR	TRNS	BALANCE	CREDITS	CURRENT	30 DAYS	60 DAYS	90 DAYS	OTHER
163277	[illegible]	12/11/70		1/10/71	02	IN2	31.47					31.47	
163227	[illegible]	12/14/70		1/13/71	C2	IN2	18.99					18.99	
[illegible]	[illegible]	12/16/70		1/15/71	02	IN2	2,004.60					2,004.60	
163394	151430	12/16/70		1/15/71	02	IN2	2,962.24					2,962.24	
163499	151753	12/17/70		1/16/71	C2	IN2	17.98					17.98	
165773	156427	12/29/70		1/28/71	02	IN2	17.98					17.98	
166943	163030	1/20/71		2/19/71	C2	IN2	31.86					31.86	
166951	163040	1/20/71		2/19/71	C2	IN2	7,431.76					7,431.76	
166953	163043	1/20/71		2/19/71	02	IN2	1.75					1.75	
167034	163566	1/21/71		2/20/71	C2	IN2	9.98					9.98	
172773	177536	3/08/71		4/07/71	C2	IN2	2.00					2.00	
174299	182281	3/22/71		4/21/71	02	IN2	10.17					10.17	
176191	185403	3/30/71		4/29/71	02	IN2	749.20					749.20	
[illegible]	[illegible]	4/13/71		5/13/71	C2	IN2	71.40					71.40	
177511	189509	4/19/71		5/19/71	C2	IN2	54.24					54.24	
177512	[illegible]	4/19/71		5/19/71	02	IN2	54.24					54.24	
177517	[illegible]	4/19/71		5/19/71	C2	IN2	54.24					54.24	
177518	189516	4/19/71		5/19/71	02	IN2	12.43					12.43	
[illegible]	192797	4/29/71		6/06/71	03	IN2	22.92		22.92				
180345	197439	4/30/71		5/30/71	02	IN2	1.07					1.07	
[illegible]	[illegible]	[illegible]/24/71		6/23/71	C2	IN2	8,751.24				8,751.24		
[illegible]	[illegible]	[illegible]/15/71		7/15/71	02	IN2	124.64			124.64			
[illegible]	[illegible]	[illegible]/15/71		7/15/71	C2	IN2	192.68			192.68			
186055	211024	6/16/71		7/16/71	C2	IN2	10.84			10.84			
188527	212402	6/24/71		7/24/71	02	IN2	110.00			110.00			
[illegible]	212436	6/24/71		7/24/71	C2	IN2	239.76			239.76			
[illegible]	214017	6/29/71		10/07/71	03	IN2	5.59		5.59				
[illegible]	[illegible]	7/26/71		7/26/71	02	IN2	5.59-			5.59-			
[illegible]	[illegible]	6/30/71		7/30/71	02	IN2	10.79			10.79			
[illegible]	[illegible]	7/07/71		10/15/71	03	IN2	6.64		6.64				
191344	217445	7/13/71		8/12/71	02	IN2	450.00		450.00				
[illegible]	[illegible]	7/20/71		8/19/71	02	IN2	.98		.98				
[illegible]	[illegible]	7/22/71		7/22/71	C2	IN2	.98-			.98-			
[illegible]	221157	7/21/71		8/20/71	C2	IN2	133.20		133.20				
[illegible]	222409	7/22/71		7/22/71	C2	IN2	133.20-			133.20-			
[illegible]	[illegible]	7/20/71		11/03/71	03	IN2	5.59		5.59				
[illegible]	[illegible]	7/27/71		8/26/71	02	IN	651.83		651.83				
[illegible]	[illegible]	7/27/71		8/26/71	C2	IN2	2,397.00		2,397.00				
				ACCOUNT TOTAL			83,174.55	64.60-	9,235.62	1,[illegible]02.4[illegible]	8,751.24	[illegible],053.11	3.50-
										1342.15			
							33,273,285.32	<53,918.46>	12,486,204.47	3,562,370.61	411,612.39	8,513,[illegible]6.13	2,347,460.24
							[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
				FINAL TOTAL			33,273,285.38	4,[illegible]12,547.73-	13,334,957.98	3,530,219.12	311,401.35	12,135,907.32	4,267,362.34

PX 392

A 2701

P. EXH 392

Date Received
Prepared by
Reviewed by

TOPPEIS CORP
ACCOUNTS RECEIVABLE AGING - TOTAL INELIGIBLE -R RECEIVABLES
AT MONTH END - JAN - SEPT 1971

	TOTAL	CREDITS	CURRENT	30	60	90	OTHER	BILL & HOLD	TOTAL INELIGIBLE
JAN	27981748.50	(824874)	① 15996262.03 ② (10788523.05)	① 5407248.56	① 1514944.31	1283954.02	3705048.34 ② 10788523.05	245191.38	5049652.36 10788523.05
- DROP SHIP PROGRAM	27981748.50	(824874)	5207759.58	5407248.56	1514944.31	1283954.02	14554221.39	245179.36	15838175.41
FEB	26183624.27	(260607.83)	⑧ 16624927.47 ③ (2715891.77)	⑥ 265615.58	⑤ 3856047.12	1253810.21	3665894.13 ⑧ 2715891.77	419725.51	5419302.44 2715891.77
- DROP SHIP PROGRAM	26183624.27	(260607.83)	13911055.70	265615.58	3856047.12	1253810.31	6381785.90	419725.51	8135194.21
MAR	28711522.28	(3630731)	⑦ 17918727.05 ⑧ 2213146.72 ⑨ (1413335.26)	⑥ 1694411.07	⑥ 17045496	4791282.32 ⑧ (1457180.45)	3382730.61 ⑧ (755460.27) ⑨ 1413335.26	108727.58	8177178.92 (2213146.72) 5964032.21 1413335.26
ADJ REPORTING LESS DROP SHIP	28711522.28	(3030731)	20718552.51	362411.07	17045496	3334061.87	4040305.60	108727.36	7377367.47
APRIL	27804601.43	(3303320)	⑩ 21960206.74 ⑪ (1974945.74)	⑩ 3407354.10	⑩ 11540085	2494710.94	2874325.05 1974991.74	5133675	5364215.99 1974945.74
LESS - TERMINAL	27804601.43	(3303320)	19985971.00	3407354.10	11540085	2494710.94	4849320.79	5133675	7344231.73
MAY	27396116.20	(6436491)	⑫ 15553385.18 ⑬ (2587361.40)	⑫ 7019708.40	⑫ 141794.44	1592066.54	2181017.66 2587361.40	172115.09	3973083.20 2587361.40
LESS TERMINAL	27396116.20	(6436491)	13165024.58	7019708.40	141794.44	1592066.54	4765377.06	172115.09	6558044.60
JUNE	33604494.06	(6185106)	⑭ 22167843.55 ⑮ (4807506.12)	⑭ 8734873.58	⑭ 6652066.82	1261369.34	2483940.04 4807506.12	218449.99	3752511.38 4807506.12
LESS - TERMINAL	33604399.60	(6185106)	17360337.43	873487.58	6652066.82	1268509.34	7351448.16	218449.99	8600117.50
JULY	33873285.38	(5381846)	⑯ 20429447.59 ⑰ (4160499.05)	⑯ 3542544.63	⑯ 4097537.28	7244510.07	2252170.70 4160499.05	188178.57	9476628.77 4160499.05
LESS TERMINAL	33873185.38	(5381846)	16124948.54	3542544.63	4097537.28	7244510.07	6412664.75	188178.57	13637127.82
AUG	35409260.39	(4480376)	⑱ 15595827.75 ⑲ (4057831.47)	⑱ 7754252.42	⑱ 2441094.28	6927727.42	2474601.72 4057831.47	204863.42	9462415.14 4057831.47
LESS - TERMINAL	35409260.39	(4480376)	18938048.28	7754252.42	2441094.28	6927727.42	7132515.19	204863.49	14120246.61

A2702

A 2702

Prepared
…pared by
a) LRHAM
b) Client and
Examined by
Reviewed by
LRHAM SR SUP.

TOPPER CORP.
ACCOUNTS RECEIVABLE AGING.

	TOTAL	CREDITS	CURRENT	30	60	90	OTHER	BILL & HOLD	TOTAL INELIGIBLE
SEPT	41711878 90	(3254494)	㊾ 18594933 16	㊿ 35697897 75	(60) 5877677 68	9534771 12	4006405 37	140651 76	13561176 49
LESS - TERMINAL			(51) (3492215 10)				3492215 10		3492215 10
	41711878 90	(3254994)	15097718 06	35697897 75	5877677 68	9554771 12	7503620 47	140651 76	17058391 59

All figures from [illegible] [illegible] (Accounts Receivable) and Accounts Receivable trial balance.

All adjustments for short ship and Terminal applied to "current" column.

A 2703

P. EXH 399
6/29/74

TOPPER CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPORTING SCHEDULES

* * * *

JANUARY 31, 1971

BEST COPY AVAILABLE

A 2704

TOPPER CORPORATION

JANUARY 31, 1971

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* * * *

TOPPER CORPORATION

CONSOLIDATED BALANCE SHEET
JANUARY 31, 1971

ASSETS		1971	1970
RENT ASSETS			
CASH-NOTE 1-		4,631,989.63	95,066.49
ACCOUNTS RECEIVABLE - NET		19,991,950.67	7,849,715.51
INVENTORIES-NET		5,686,204.03	6,514,594.45
PREPAID EXPENSES		1,283,264.30	1,332,120.27
UNABSORBED EXPENSES	V5(1498	1,227,209.03	923,675.12
TOTAL CURRENT ASSETS		32,820,625.71	16,715,171.84
OPERTY, PLANT AND EQUIPMENT-NET		4,063,231.89	3,879,733.77
LDS AND DIES-NET		3,526,007.42	4,867,000.17
HER ASSETS		16,536.40	21,332.90
TOTALS		7,605,775.71	8,768,066.84
TOTAL ASSETS		40,426,401.42	25,483,238.68
LIABILITIES AND STOCKHOLDERS EQUITY			
RRENT LIABILITIES			
LOAN PAYABLE TO BANK	15.3 4.5 13.8	15,281,622.83	3,256,114.58
ACCOUNTS PAYABLE		7,822,132.55	5,945,349.70
DIVIDENDS PAYABLE		99,000.00	221,925.00
ACCRUED EXPENSES		1,305,628.46	1,317,055.94
10% NOTES DUE JUNE 30, 1971		1,350,000.00	
8% NOTES DUE JUNE 2, 1970			2,079,000.00
TOTAL CURRENT LIABILITIES		25,858,383.84	12,819,445.22
NG. TERM DEBT		3,952,498.98	5,200,000.00
DERAL INCOME TAXES		386,636.00	—
CKHOLDERS EQUITY			
PREFERRED STOCK.			
5% CUMMULATIVE PREFERRED PAR VALUE $100			
AUTHORIZED 30,000 SHARES			
OUTSTANDING 30,000 SHARES		3,000,000.00	3,000,000.00
COMMON STOCK			
AUTHORIZED 5,000,000 SHARES			
OUTSTANDING 3,078,674 SHARES		3,078,674.00	2,570,525.00
CAPITAL SURPLUS		3,310,854.09	1,236,379.34
SURPLUS		1,929,394.56	2,028,289.12
		11,318,922.59	8,837,193.46
LESS, TREASURY STOCK			
5% CUMULATIVE PREFERRED 10,200 SHARES	1,020,000.00		
COMMON STOCK 50,600 SHARES	70,039.89	1,090,039.89	1,373,400.00
TOTAL STOCKHOLDERS EQUITY		10,228,882.70	7,463,793.46
TOTAL LIABILITIES & STOCKHOLDERS EQUITY		40,426,401.42	25,483,238.68

A 2705

TOPPER CORPORATION

CONSOLIDATED BALANCE SHEET DETAILS
JANUARY 31, 1971

					1971	1970
ACCOUNTS RECEIVABLE						
TRADE-NET OF ALLOW FOR DOUBTFUL ACCTS 571,207					19,660,114.52	7,713,692.53
ADVANCES TO SUPPLIERS					19,974.58	34,326.01
OTHER					311,869.57	101,696.97
					19,991,958.67	7,849,715.51
INVENTORIES						
FINISHED GOODS AND WORK IN PROCESS					4,011,829.73	3,737,668.14
RAW MATERIALS					2,707,399.73	3,726,926.31
INVENTORY RESERVES					1,033,025.43-	950,000.00-
					5,686,204.03	6,514,594.45
PREPAID EXPENSES						
INSURANCE					155,191.93	98,023.86
ADVERTISING					671,749.97	563,425.71
DEBT DISCOUNT					386,579.13	527,145.72
OTHER					69,743.27	142,474.98
					1,283,264.30	1,332,120.27
UNABSORBED EXPENSES						
MANUFACTURING					481,695.95	409,946.60
ADVERTISING & SALES					745,513.00	262,426.74
YOUTH CARE, INCORPORATED						251,251.78
					1,227,209.03	923,675.12
	COST AT 12/31/70	CURRENT YEAR ADDITIONS AND RETIREMENTS-NET	TOTAL COST	ACCUMULATED DEPRECIATION OR AMORTIZATION		
PROPERTY, PLANT AND EQUIPMENT	6,721,513.96	95,935.23	6,817,449.19	2,754,217.30	4,063,231.89	3,879,733.77
MOLDS AND DIES - APPRAISAL	6,589,785.25		6,589,785.25	5,683,518.38	906,266.87	2,196,740.77
MOLDS AND DIES - OTHER	4,404,826.22	157,829.57	4,562,655.79	1,942,915.24	2,619,740.55	2,670,259.40
	10,994,611.47	157,829.57	11,152,441.04	7,626,433.62	3,526,007.42	4,867,000.17
OTHER ASSETS						
ORGANIZATION EXPENSE-LESS ACCUM AMORT 19,863.68					3,589.16	8,385.66
OTHER					12,947.24	12,947.24
					16,536.40	21,332.90
ACCOUNTS PAYABLE						
TRADE					7,776,066.84	5,886,473.41
WITHHOLDING TAXES, ETC.					46,065.71	58,876.29
DIVIDENDS-NOTE 4					99,000.00	221,975.00
					7,921,132.55	6,167,274.70
ACCRUED EXPENSES						
SALARIES AND WAGES					154,836.41	531,258.67
PAYROLL TAXES					27,125.96	38,241.20
INTEREST						
LOAN PAYABLE TO BANK					256,237.07	208,006.84
OTHER					187,997.22	
INSURANCE					44,235.11	154,983.83
FRANCHISE TAXES					263,894.31	324,855.30
OTHER					321,302.38	59,629.97
					1,305,628.46	1,317,055.94

A 2706

TOPPER CORPORATION

CONSOLIDATED STATEMENT OF OPERATIONS RECAST
FOR THE PERIOD JANUARY 1 TO JANUARY 31, 1971

	MONTH OF JANUARY 1971	MONTH OF JANUARY 1970	YEAR-TO-DATE 1971	YEAR-TO-DATE 1970
INCOME				
NET SALES	280,822.26	835,410.46	280,822.26	835,410.46
TOTAL INCOME	280,822.26	835,410.46	280,822.26	835,410.46
COST AND EXPENSES				
COST OF SALES	204,794.62	685,852.72	204,794.62	685,852.72
AMORTIZATION OF MOLDS AND DIES				
APPRAISAL				
OTHER	23,841.91	8,115.76	23,841.91	8,115.76
	23,841.91	8,115.76	23,841.91	8,115.76
DEPRECIATION				
APPRAISAL				
OTHER	6,614.55	7,712.85	6,614.55	7,712.85
	6,614.55	7,712.85	6,614.55	7,712.85
OPERATING EXPENSES				
SELLING AND ADVERTISING EXPENSES	214,947.00	257,083.70	214,947.00	257,083.70
ADMINISTRATION AND GENERAL EXPENSES	133,214.89	109,438.11	133,214.89	109,438.11
ENGINEERING, RESEARCH AND DEVELOPMENT	89,363.51	72,360.74	89,363.51	72,360.74
	437,525.40	438,882.60	437,525.40	438,882.60
INTEREST EXPENSE				
BANKS	149,294.69	137,863.68	149,294.69	137,863.68
OTHER	45,802.90	54,804.44	45,802.90	54,804.44
	195,097.59	192,668.12	195,097.59	192,668.12
DEBT DISCOUNT - AMORTIZATION	46,926.78	30,847.58	46,926.78	30,847.58
ROYALTY AGREEMENT - AMORTIZATION	2,383.87		2,383.87	
OTHER DEDUCTIONS	9,123.34-	19,642.59	9,123.34-	19,642.59
TOTAL COST AND EXPENSES	904,061.38	1,179,722.22	904,061.38	1,179,722.22
NORMAL PROFIT/LOSS BEFORE SPECIAL CHARGES	627,239.12-	344,311.76-	627,239.12-	344,311.76-
LESS, SPECIAL CHARGES				
EXTRAORDINARY DEPRECIATION AND AMORTIZATION DUE TO RECORDING OF PROPERTY, PLANT AND EQUIPMENT AT APPRAISED VALUE	92,941.31	121,846.74	92,941.31	121,846.74
NET PROFIT/LOSS AFTER SPECIAL CHARGES	720,180.43-	466,158.50-	720,180.43-	466,158.50-

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TOPPER CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JANUARY 31, 1971

1. The cash balance included $4,500,000 held in time deposits as collateral on loan.

2. Expenses for the January 31, 1971 statements have been presented as follows:

   (a) Selling, general and administrative, and research and development on the basis of complete absorption of actual expenses.

   (b) Advertising expenses have been absorbed on the basis of projected sales for 1971.

   (c) Manufacturing expense is absorbed on the basis of production.

3. The Company will provide for normal taxes on 1971 profits pending final determination of the tax review by the Internal Revenue Service on loss carryforward appearing on previously filed tax returns.

4. Dividends for the period January 1 to December 31, 1970, amounting to $99,000, were declared in January and were paid on February 15, 1971.

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P. EXH 400
6/24/74

TOPPER CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPORTING SCHEDULES

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TOPPER CORPORATION

CONSOLIDATED BALANCE SHEET
FEBRUARY 28, 1971

ASSETS		1971	1970
CURRENT ASSETS			
CASH-NOTE 1-		3,640,455.93	531,029.16
ACCOUNTS RECEIVABLE - NET		19,379,219.67	6,677,953.11
INVENTORIES-NET		7,017,538.83	7,133,525.62
PREPAID EXPENSES		1,031,912.46	1,196,633.68
UNABSORBED EXPENSES		2,319,460.54	1,682,015.89
TOTAL CURRENT ASSETS		33,388,587.43	17,221,157.46
PROPERTY, PLANT AND EQUIPMENT-NET		3,999,715.93	3,941,241.82
MOLDS AND DIES-NET		3,677,329.32	4,988,624.81
OTHER ASSETS		16,141.90	21,049.66
TOTALS		7,693,187.15	8,950,916.29
TOTAL ASSETS		41,081,774.58	26,172,073.75
LIABILITIES AND STOCKHOLDERS EQUITY			
CURRENT LIABILITIES			
LOAN PAYABLE TO BANK		18,218,335.54	5,917,356.34
ACCOUNTS PAYABLE		6,199,756.78	5,136,650.54
ACCRUED EXPENSES		1,135,059.01	1,098,195.81
10% NOTES DUE JUNE 30, 1971		1,350,000.00	
9% NOTES DUE JUNE 2, 1970			2,079,000.00
10% NOTES DUE JANUARY 31, 1972		3,850,000.00	
TOTAL CURRENT LIABILITIES		30,753,151.33	14,231,202.69
LONG TERM DEBT		98,227.00	5,200,000.00
FEDERAL INCOME TAXES		386,636.00	—
STOCKHOLDERS EQUITY			
PREFERRED STOCK.			
5% CUMULATIVE PREFERRED PAR VALUE $100			
AUTHORIZED 30,000 SHARES OUTSTANDING 30,000 SHARES		3,000,000.00	3,000,000.00
COMMON STOCK			
AUTHORIZED 5,000,000 SHARES OUTSTANDING 3,081,224 SHARES		3,081,224.00	2,571,025.00
CAPITAL SURPLUS		3,318,504.05	1,240,879.34
SURPLUS		1,534,072.09	1,302,366.72
		10,933,800.14	8,114,271.06
LESS, TREASURY STOCK			
5% CUMULATIVE PREFERRED 10,200 SHARES	1,020,000.00		
COMMON STOCK 50,600 SHARES	70,039.89	1,090,039.89	1,373,400.00
TOTAL STOCKHOLDERS EQUITY		9,843,760.25	6,740,871.06
TOTAL LIABILITIES & STOCKHOLDERS EQUITY		41,081,774.58	26,172,073.75

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TOPPER CORPORATION

CONSOLIDATED BALANCE SHEET DETAILS
FEBRUARY 28, 1971

	1971	1970
ACCOUNTS RECEIVABLE		
TRADE-NET OF ALLOW FOR DOUBTFUL ACCTS 576,097	19,112,778.70	6,530,517.16
ADVANCES TO SUPPLIERS	13,217.24	12,025.65
OTHER	253,223.73	135,410.30
	19,379,219.67	6,677,953.11
INVENTORIES		
FINISHED GOODS AND WORK IN PROCESS	4,061,366.16	4,244,194.50
RAW MATERIALS	3,989,198.10	3,839,331.12
INVENTORY RESERVES	1,033,025.43-	950,000.00-
	7,017,538.83	7,133,525.62
PREPAID EXPENSES		
INSURANCE	173,045.67	109,287.21
ADVERTISING	425,725.13	487,182.58
DEBT DISCOUNT	340,270.12	480,052.79
OTHER	92,871.54	120,111.10
	1,031,912.46	1,196,633.68
UNABSORBED EXPENSES		
MANUFACTURING	1,053,628.33	870,580.00
ADVERTISING & SALES	1,265,832.21	478,896.98
YOUTH CARE, INCORPORATED		332,538.91
	2,319,460.54	1,682,015.89

	COST AT 12/31/70	CURRENT YEAR ADDITIONS AND RETIREMENTS-NET	TOTAL COST	ACCUMULATED DEPRECIATION OR AMORTIZATION	1971	1970
PROPERTY, PLANT AND EQUIPMENT	6,721,513.96	110,199.75	6,831,713.71	2,831,997.78	3,999,715.93	3,961,241.82
MOLDS AND DIES - APPRAISAL	6,589,785.25		6,589,785.25	5,765,906.28	823,878.97	2,086,914.77
MOLDS AND DIES - OTHER	4,404,826.22	408,024.37	4,812,850.59	1,972,110.24	2,840,740.35	2,901,710.04
	10,994,611.47	408,024.37	11,402,635.84	7,738,016.52	3,664,619.32	4,988,624.81

	1971	1970
OTHER ASSETS		
ORGANIZATION EXPENSE-LESS ACCUM AMORT 20,245.60	3,194.66	8,003.66
OTHER	12,947.24	13,045.00
	16,141.90	21,049.66
ACCOUNTS PAYABLE		
TRADE	6,170,049.02	5,045,680.40
WITHHOLDING TAXES, ETC.	29,707.76	90,970.14
	6,199,754.78	5,136,650.54
ACCRUED EXPENSES		
SALARIES AND WAGES	177,563.37	442,342.84
PAYROLL TAXES	42,322.89	64,482.60
INTEREST		
LOAN PAYABLE TO BANK	282,681.68	47,568.80
OTHER	89,361.51	127,416.54
INSURANCE	41,922.58	64,128.69
FRANCHISE TAXES	263,894.31	324,855.30
OTHER	237,312.67	27,401.04
	1,135,059.01	1,098,195.81

TOPPER CORPORATION

CONSOLIDATED STATEMENT OF OPERATIONS RECAST
FOR THE PERIOD JANUARY 1 TO FEBRUARY 28, 1971

	MONTH OF FEBRUARY 1971	MONTH OF FEBRUARY 1970	YEAR-TO-DATE 1971	YEAR-TO-DATE 1970
INCOME				
NET SALES	764,604.41	377,523.03	1,045,426.67	1,212,933.69
TOTAL INCOME	764,604.41	377,523.03	1,045,426.67	1,212,933.69
COST AND EXPENSES				
COST OF SALES	370,577.20	262,813.97	575,371.82	748,665.69
AMORTIZATION OF MOLDS AND DIES				
APPRAISAL				
OTHER	29,195.00	89,911.62	53,036.91	98,027.38
	29,195.00	89,911.62	53,036.91	98,027.38
DEPRECIATION				
APPRAISAL				
OTHER	8,174.49	7,014.34	14,789.06	14,727.19
	8,174.49	7,014.34	14,789.06	14,727.19
OPERATING EXPENSES				
SELLING AND ADVERTISING EXPENSES	243,087.11	164,975.27	458,034.11	422,058.97
ADMINISTRATION AND GENERAL EXPENSES	134,101.58	88,333.73	267,316.47	197,771.84
ENGINEERING, RESEARCH AND DEVELOPMENT	92,882.83	76,384.86	182,246.34	148,745.65
	470,071.52	329,693.86	907,596.92	768,576.46
INTEREST EXPENSE				
BANKS	106,904.66	47,568.80	256,199.35	185,432.48
OTHER	44,358.45	57,193.33	90,161.35	111,997.77
	151,263.11	104,762.13	346,360.70	297,430.25
DEBT DISCOUNT - AMORTIZATION	46,309.01	30,068.74	93,235.79	60,915.32
ROYALTY AGREEMENT - AMORTIZATION	2,765.92		5,149.79	
OTHER DEDUCTIONS	11,383.79-	59,034.15	20,507.13-	74,676.74
TOTAL COST AND EXPENSES	1,066,972.46	883,298.81	1,975,033.84	2,063,021.03
NORMAL PROFIT/LOSS BEFORE SPECIAL CHARGES	302,368.05-	505,775.78-	929,607.17-	850,087.34-
LESS, SPECIAL CHARGES				
EXTRAORDINARY DEPRECIATION AND AMORTIZATION DUE TO RECORDING OF PROPERTY, PLANT AND EQUIPMENT AT APPRAISED VALUE	92,954.40	121,146.62	185,895.71	242,993.56
NET PROFIT/LOSS AFTER SPECIAL CHARGES	395,322.45-	626,922.40-	1,115,502.88-	1,093,080.90-

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TOPPER CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FEBRUARY 28, 1971

1. The cash balance included $4,500,000 held in time deposits as collateral on loan.

2. Expenses for the February 28, 1971 statements have been presented as follows:

   (a) Selling, general and administrative, and research and development on the basis of complete absorption of actual expenses.

   (b) Advertising expenses have been absorbed on the basis of projected sales for 1971.

   (c) Manufacturing expense is absorbed on the basis of production.

3. The Company will provide for normal taxes on 1971 profits pending final determination of the tax review by the Internal Revenue Service on loss carryforward appearing on previously filed tax returns.

4. Dividends for the period January 1 to December 31, 1970, amounting to $99,000, were declared in January and were paid on February 15, 1971.

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TOPPER CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPORTING SCHEDULES

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CONSOLIDATED BALANCE SHEET
MARCH 31, 1971

		1971	1970
ASSETS			
CURRENT ASSETS			
CASH-NOTE 1-		3,136,573.01	525,587.02
ACCOUNTS RECEIVABLE - NET		22,080,644.70	8,020,374.13
INVENTORIES-NET		7,544,005.69	9,027,947.47
PREPAID EXPENSES		1,084,029.99	1,039,626.37
UNABSORBED EXPENSES		2,442,194.51	2,619,355.47
TOTAL CURRENT ASSETS		36,287,447.90	21,232,890.46
PROPERTY, PLANT AND EQUIPMENT-NET		3,954,490.66	4,270,288.96
MOLDS AND DIES-NET		3,493,615.76	5,005,118.03
OTHER ASSETS		35,561.30	130,472.54
TOTALS		7,483,667.72	9,405,879.53
TOTAL ASSETS		43,771,115.62	30,638,769.99
LIABILITIES AND STOCKHOLDERS EQUITY			
CURRENT LIABILITIES			
LOAN PAYABLE TO BANK		19,828,754.09	8,688,240.57
ACCOUNTS PAYABLE		6,890,464.32	6,345,245.78
ACCRUED EXPENSES		1,177,959.64	1,401,104.77
10% NOTES DUE JUNE 30, 1971		1,350,000.00	
8% NOTES DUE JUNE 2, 1970			2,079,000.00
10% NOTES DUE JANUARY 31, 1972		3,850,000.00	
TOTAL CURRENT LIABILITIES		33,097,178.05	18,513,591.12
LONG TERM DEBT		93,955.12	5,331,254.81
FEDERAL INCOME TAXES		19,236.00	
STOCKHOLDERS EQUITY			
PREFERRED STOCK.			
5% CUMMULATIVE PREFERRED PAR VALUE $100 AUTHORIZED 30,000 SHARES OUTSTANDING 30,000 SHARES		3,000,000.00	3,000,000.00
COMMON STOCK AUTHORIZED 5,000,000 SHARES OUTSTANDING 3,081,474 SHARES		3,081,474.00	2,571,025.00
CAPITAL SURPLUS		3,317,754.05	1,240,879.34
SURPLUS		2,251,558.29	1,355,488.29
		11,650,786.34	8,167,392.63
LESS, TREASURY STOCK			
5% CUMULATIVE PREFERRED 10,200 SHARES	1,020,000.00		
COMMON STOCK 50,600 SHARES	70,039.89	1,090,039.89	1,373,400.00
TOTAL STOCKHOLDERS EQUITY		10,560,746.45	6,793,992.63
TOTAL LIABILITIES & STOCKHOLDERS EQUITY		43,771,115.62	30,638,838.56

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TOPPER CORPORATION

CONSOLIDATED BALANCE SHEET DETAILS
MARCH 31, 1971

	COST AT 12/31/70	CURRENT YEAR ADDITIONS AND RETIREMENTS-NET	TOTAL COST	ACCUMULATED DEPRECIATION OR AMORTIZATION	1971	1970
ACCOUNTS RECEIVABLE						
TRADE-NET OF ALLOW FOR DOUBTFUL ACCTS 569,556					21,769,065.87	6,851,248.26
ADVANCES TO SUPPLIERS					13,217.24	15,451.47
OTHER					298,361.59	146,470.40
FEDERAL INCOME TAXES						1,007,204.00
					22,080,644.70	8,020,374.13
INVENTORIES						
FINISHED GOODS AND WORK IN PROCESS					4,454,638.83	5,111,053.75
RAW MATERIALS					4,122,392.29	4,866,893.72
INVENTORY RESERVES					1,033,025.43-	950,000.00-
					7,544,005.69	9,027,947.47
PREPAID EXPENSES						
INSURANCE					258,875.23	102,181.67
ADVERTISING					190,162.47	437,789.97
DEBT DISCOUNT					293,343.34	263,987.54
OTHER					341,648.95	235,667.19
					1,084,029.99	1,039,626.37
UNABSORBED EXPENSES						
MANUFACTURING					807,686.61	1,372,573.30
ADVERTISING & SALES					1,634,507.90	831,158.36
YOUTH CARE, INCORPORATED						415,623.81
					2,442,194.51	2,619,355.47
PROPERTY, PLANT AND EQUIPMENT	6,721,513.96	143,851.98	6,865,365.94	2,910,875.28	3,954,490.66	4,270,288.96
MOLDS AND DIES - APPRAISAL	6,589,785.25		6,589,785.25	5,930,682.07	659,103.18	1,977,088.77
MOLDS AND DIES - OTHER	4,404,826.22	581,786.36	4,986,612.58	2,152,100.00	2,834,512.58	3,028,029.26
	10,994,611.47	581,786.36	11,576,397.83	8,082,782.07	3,493,615.76	5,005,118.03
OTHER ASSETS						
ORGANIZATION EXPENSE-LESS ACCUM AMORT 820,628					2,800.16	9,325.16
LONG-TERM PORTION OF DEBT DISCOUNT						42,985.78
OTHER					32,761.14	78,161.60
					35,561.30	130,472.54
ACCOUNTS PAYABLE						
TRADE					6,875,438.15	6,260,835.27
WITHHOLDING TAXES, ETC.					15,026.17	84,410.51
					6,890,464.32	6,345,245.78
ACCRUED EXPENSES						
SALARIES AND WAGES					337,585.34	586,004.48
PAYROLL TAXES					66,547.93	95,364.12
INTEREST						
LOAN PAYABLE TO BANK					156,172.86	75,752.67
OTHER					132,880.89	184,609.87
INSURANCE					48,931.11	108,619.99
FRANCHISE TAXES					263,451.31	324,513.30
OTHER					172,382.20	26,240.34
					1,177,959.64	1,401,104.77

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TC. A CORPORATION

CONSOLIDATED STATEMENT OF OPERATIONS RECAST
FOR THE PERIOD JANUARY 1 TO MARCH 31, 1971

	MONTH OF MARCH 1971	MONTH OF MARCH 1970	YEAR-TO-DATE 1971	YEAR-TO-DATE 1970
INCOME				
NET SALES	3,854,800.40	766,432.11	4,900,227.07	1,979,365.60
TOTAL INCOME	3,854,800.40	766,432.11	4,900,227.07	1,979,365.60
COST AND EXPENSES				
COST OF SALES	1,833,243.66	431,302.89	2,408,615.48	1,179,969.58
AMORTIZATION OF MOLDS AND DIES				
APPRAISAL				
OTHER	240,335.26	343,600.90	293,372.17	441,628.28
	240,335.26	343,600.90	293,372.17	441,628.28
DEPRECIATION				
APPRAISAL				
OTHER	47,217.58	15,505.86	62,006.62	30,233.05
	47,217.58	15,505.86	62,006.62	30,233.05
OPERATING EXPENSES				
SELLING AND ADVERTISING EXPENSES	713,309.55	342,620.15	1,171,343.66	764,679.12
ADMINISTRATION AND GENERAL EXPENSES	142,634.35	131,647.94	409,950.82	329,419.78
ENGINEERING, RESEARCH AND DEVELOPMENT	92,059.27	102,505.89	274,305.61	251,251.54
	948,003.17	576,773.98	1,855,600.09	1,345,350.44
INTEREST EXPENSE				
BANKS	143,304.03	130,682.85	399,503.38	316,115.33
OTHER	45,802.90	27,193.33	135,964.25	139,191.10
	189,106.93	157,876.18	535,467.63	455,306.43
DEBT DISCOUNT - AMORTIZATION	46,926.78	49,950.05	140,162.57	143,897.42
ROYALTY AGREEMENT - AMORTIZATION	5,149.79-			
OTHER DEDUCTIONS	27,290.34-	928.12-	47,797.47-	40,693.11
TOTAL COST AND EXPENSES	3,272,393.25	1,574,081.74	5,247,427.09	3,637,078.31
NORMAL PROFIT/LOSS BEFORE SPECIAL CHARGES	582,407.15	807,649.63-	347,200.02-	1,657,712.71-
LESS, SPECIAL CHARGES				
EXTRAORDINARY DEPRECIATION AND AMORTIZATION DUE TO RECORDING OF PROPERTY, PLANT AND EQUIPMENT AT APPRAISED VALUE	232,320.95	146,457.26	418,216.66	389,450.62
NET INCOME/LOSS AFTER SPECIAL CHARGES	350,086.20	954,106.89-	765,416.68-	2,047,163.33-
PROVISION FOR FEDERAL INCOME TAXES	367,400.00-	1,007,204.00-	367,400.00-	1,007,204.00-
NET INCOME/LOSS	717,486.20	53,097.11	398,016.68-	1,039,959.33-

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TOPPER CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 1971

NOTE 1 - BANK LOAN:

The Company's financing agreement with banks provides for maximum working capital borrowings of $18,500,000 of which $16,828,754 was outstanding at March 31, 1971 at an interest rate of 3.105% per annum above the higher of the prime rate, or 6%. The Company had other bank loans of $3,000,000 at March 31, 1971 at an interest rate of 1.15% above prime rate.

The lending banks hold security interest in all present and future accounts receivable, inventory and fixed assets including tooling, etc., and, in addition, cash collateral of $3,000,000 at March 31, 1971.

NOTE 2:

Does not reflect sales of the Company's toiletries operation which incurred a loss for the full year 1970 and which was discontinued at the end of the year. No profit or loss was reported for the first quarter 1970.

NOTE 3:

1970 First quarter results have been adjusted from those previously reported to reflect the allocation of the federal income tax benefits associated with the entire year's operations, which resulted in a profit.

NOTE 4:

In the preparation of interim financial statements, the Company absorbs manufacturing overhead and advertising expenses on the basis of estimated production and sales for the year. Approximately $2,600,000 of such expenses have been deferred at March 31, 1971 compared to approximately $2,200,000 at March 31, 1970.

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TOPPER CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPORTING SCHEDULES

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RESEARCH AND DEVELOPMENT DEPARTMENT 22

* * * *

TOPPER CORPORATION

CONSOLIDATED BALANCE SHEET
APRIL 30, 1971

		1971	1970
ASSETS			
CURRENT ASSETS			
CASH-NOTE 1-			
ACCOUNTS RECEIVABLE - NET		$ 2,621,476.25	$ 687,986.68
INVENTORIES-NET		21,903,248.40	11,970,430.56
PREPAID EXPENSES		8,172,756.45	9,433,692.30
UNABSORBED EXPENSES		1,097,393.29	1,010,423.06
TOTAL CURRENT ASSETS		2,852,970.81	2,434,136.31
		$36,648,045.20	$25,536,668.91
PROPERTY, PLANT AND EQUIPMENT-NET			
MOLDS AND DIES-NET		$ 3,896,920.81	$ 4,339,132.76
OTHER ASSETS		3,491,794.05	5,270,929.49
TOTALS		34,666.80	22,525.96
		$ 7,423,381.66	$ 9,632,588.19
TOTAL ASSETS		$44,071,426.86	$35,169,257.10
LIABILITIES AND STOCKHOLDERS EQUITY			
CURRENT LIABILITIES			
LOAN PAYABLE TO BANK			
ACCOUNTS PAYABLE		$19,678,877.79	$11,915,777.03
ACCRUED EXPENSES		7,654,206.37	7,906,417.17
10% NOTES DUE JUNE 30,1971		962,861.13	1,329,646.39
8% NOTES DUE JUNE 2,1970		1,350,000.00	
10% NOTES DUE JANUARY 31,1972			2,079,000.00
TOTAL CURRENT LIABILITIES		3,850,000.00	
		$33,495,945.29	$23,130,840.59
LONG TERM DEBT		$ 89,603.24	$ 5,200,000.00
STOCKHOLDERS EQUITY			
PREFERRED STOCK.			
5% CUMMULATIVE PREFERRED PAR VALUE $100			
AUTHORIZED 30,000 SHARES			
OUTSTANDING 30,000 SHARES			
COMMON STOCK		$ 3,000,000.00	$ 3,000,000.00
AUTHORIZED 5,000,000 SHARES			
OUTSTANDING 3,083,836 SHARES		3,083,836.00	2,571,075.00
CAPITAL SURPLUS		3,276,640.05	1,197,642.34
SURPLUS		2,215,362.17	1,443,073.17
		$11,575,838.22	$ 8,211,815.51
LESS, TREASURY STOCK			
5% CUMULATIVE PREFERRED 10,200 SHARES	$1,020,000.00		
COMMON STOCK 50,600 SHARES	70,039.89	1,090,039.89	1,373,400.00
TOTAL STOCKHOLDERS EQUITY		$10,485,798.33	$ 6,938,416.51
TOTAL LIABILITIES & STOCKHOLDERS EQUITY		$44,071,426.86	$35,169,257.10

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TOPPER CORPORATION

CONSOLIDATED BALANCE SHEET DETAILS
APRIL 30, 1971

	COST AT 12/31/70	CURRENT YEAR ADDITIONS AND RETIREMENTS-NET	TOTAL COST	ACCUMULATED DEPRECIATION OR AMORTIZATION	1971	1970
ACCOUNTS RECEIVABLE						
TRADE-NET OF ALLOW FOR DOUBTFUL ACCTS 569,556					$21,579,757.08	$10,857,083.59
ADVANCES TO SUPPLIERS					12,409.53	19,476.59
OTHER					296,825.98	170,556.52
FEDERAL INCOME TAXES					14,175.81	922,313.86
					$21,903,248.40	$11,970,430.56
INVENTORIES						
FINISHED GOODS AND WORK IN PROCESS					$ 5,801,103.98	$ 5,013,522.60
RAW MATERIALS					3,404,877.90	5,370,169.70
INVENTORY RESERVES					1,033,025.43-	950,000.00-
					$ 8,172,956.45	$ 9,433,692.30
PREPAID EXPENSES						
INSURANCE					$ 437,094.07	$ 122,532.79
ADVERTISING					67,484.51	387,307.63
DEBT DISCOUNT					247,034.33	398,057.87
OTHER					345,780.38	112,524.77
					$ 1,097,393.29	$ 1,010,423.06
UNABSORBED EXPENSES						
MANUFACTURING					$ 1,178,686.85	$ 1,673,476.24
ADVERTISING & SALES					1,674,283.96	760,660.07
					$ 2,852,970.81	$ 2,434,136.31
PROPERTY, PLANT AND EQUIPMENT	$ 6,721,513.96	$162,511.78	$ 6,884,025.74	$2,987,104.93	$ 3,896,920.81	$ 4,339,132.76
MOLDS AND DIES - APPRAISAL	$ 6,589,785.25	$	$ 6,589,785.25	$6,040,532.60	$ 549,252.65	$ 1,867,262.77
MOLDS AND DIES - OTHER	4,404,826.22	876,188.20	5,281,014.42	2,354,473.02	2,926,541.40	3,403,666.72
	$10,994,611.47	$876,188.20	$11,870,799.67	$8,395,005.62	$ 3,475,794.05	$ 5,270,929.49
OTHER ASSETS						
ORGANIZATION EXPENSE					$ 1,905.66	$ 8,930.66
OTHER					32,761.14	13,595.29
					$ 34,666.80	$ 22,525.94
ACCOUNTS PAYABLE						
TRADE					$ 7,601,374.44	$ 7,700,797.91
WITHHOLDING TAXES, ETC.					52,831.93	105,619.26
					$ 7,654,206.37	$ 7,806,417.17
ACCRUED EXPENSES						
SALARIES AND WAGES					$ 257,381.30	$ 926,050.94
PAYROLL TAXES					40,949.88	48,681.61
INTEREST						
LOAN PAYABLE TO BANK					195,054.59	93,971.21
OTHER					132,889.89	241,803.20
INSURANCE					56,411.95	132,731.66
FRANCHISE TAXES					162,470.31	116,949.30
ACCRUED ADVERTISING						124,134.88
OTHER					117,704.21	45,321.59
					$ 962,861.13	$ 1,379,646.39

TOPPER CORPORATION
TOY OPERATION

CONSOLIDATED STATEMENT OF OPERATIONS RECAST
FOR THE PERIOD JANUARY 1 TO APRIL 30, 1971

	MONTH OF APRIL 1971	MONTH OF APRIL 1970	YEAR-TO-DATE 1971	YEAR-TO-DATE 1970
INCOME				
NET SALES	$3,107,613.09	$3,260,780.44	$8,007,840.16	$5,240,146.04
TOTAL INCOME	3,107,613.09	3,260,780.44	8,007,840.16	5,240,146.04
COST AND EXPENSES				
COST OF SALES	1,737,923.03	1,583,646.94	4,146,538.51	2,763,616.52
AMORTIZATION OF MOLDS AND DIES				
APPRAISAL				
OTHER	219,623.58	194,250.85	512,995.75	635,879.13
	219,623.58	194,250.85	512,995.75	635,879.13
DEPRECIATION				
APPRAISAL				
OTHER	20,363.97	18,378.29	82,370.59	48,611.34
	20,363.97	18,378.29	82,370.59	48,611.34
OPERATING EXPENSES				
SELLING AND ADVERTISING EXPENSES	606,103.59	743,069.14	1,777,447.25	1,507,748.26
ADMINISTRATION AND GENERAL EXPENSES	145,135.92	128,482.33	555,086.74	458,102.11
ENGINEERING, RESEARCH AND DEVELOPMENT	83,747.15	90,567.82	359,296.75	341,819.36
	834,986.66	962,319.29	2,691,830.74	2,307,669.73
INTEREST EXPENSE				
BANKS	144,152.85	36,367.09	543,656.23	352,482.42
OTHER	44,358.45	114,639.42	180,322.70	253,830.52
	188,511.30	151,006.51	723,978.93	606,312.94
DEBT DISCOUNT - AMORTIZATION	46,309.01	48,294.87	186,471.58	192,192.29
OTHER DEDUCTIONS	29,571.19-	15,667.69-	77,368.66-	25,876.42
TOTAL COST AND EXPENSES	3,018,146.36	2,942,229.06	8,266,817.44	6,580,158.37
NORMAL PROFIT/LOSS BEFORE SPECIAL CHARGES	89,466.73	318,551.38	258,977.28-	1,340,012.33-
LESS, SPECIAL CHARGES				
EXTRAORDINARY DEPRECIATION AND AMORTIZATION DUE TO RECORDING OF PROPERTY, PLANT AND EQUIPMENT AT APPRAISED VALUE	157,830.67	145,199.36	576,047.33	534,649.98
NET INCOME/LOSS AFTER SPECIAL CHARGES	68,363.94-	173,352.02	835,024.61-	1,874,662.31-
PROVISION FOR FEDERAL INCOME TAXES	33,411.81-	84,890.14	400,811.81-	922,313.86-
NET INCOME/LOSS	$ 34,952.13-	$ 88,461.88	$ 434,212.80-	$ 952,348.45-

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TOPPER CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

APRIL 30, 1971

NOTE 1 - BANK LOAN:

The Company's financing agreement with banks provides for maximum working capital borrowings of $18,500,000 of which $17,178,878 was outstanding at April 30, 1971 at an interest rate of 3.105% per annum above the higher of the prime rate, or 6%. The Company had other bank loans of $2,500,000 at April 30, 1971 at an interest rate of 1.15% above prime rate.

The lending banks hold security interest in all present and future accounts receivable, inventory and fixed assets including tooling, etc., and, in addition, cash collateral of $2,500,000 at April 30, 1971.

NOTE 2:

Does not reflect sales of the Company's toiletries operation which incurred a loss for the full year 1970 and which was discontinued at the end of the year. No profit or loss was reported for the first four months, 1970.

NOTE 3:

1970 results have been adjusted from those previously reported to reflect the allocation of the federal income tax benefits associated with the entire year's operations, which resulted in a profit.

NOTE 4:

In the preparation of interim financial statements, the Company absorbs manufacturing overhead and advertising expenses on the basis of estimated production and sales for the year. Approximately $2,400,000 of such expenses have been deferred at April 30, 1971 and 1970.

* * * *

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P.EXH 462 A 2727

350-C

CBWL-Hayden, Stone Inc.

①

② 1971 [illegible]

③ Final Agreement

④ Summary [illegible] terms

TOPPER CORPORATION

$5 Million

7 1/2% Convertible Subordinated Debentures Due 1986

CBWL-Hayden, Stone Inc.
767 Fifth Avenue
New York, New York 10022

July 1971

A 2728

CBWL-Hayden, Stone Inc.

TOPPER CORPORATION
$5,000,000
Convertible Subordinated Debentures
Due 1986

The undersigned has been appointed the agent of Topper Corporation in the proposed private placement of these securities. The information contained in this memorandum is based upon sources which we believe to be reliable but is not guaranteed by us and does not purport to be a complete statement or summary of available data. Estimates and opinions are included and should not be interpreted as statements of fact.

The information contained herein is confidential and the recipient thereof is not authorized to transmit this memorandum or disclose such information to any other person.

CBWL-Hayden, Stone Inc.
757 Fifth Avenue
New York, New York 10022
July, 1971

A 2729

CBWL-Hayden, Stone Inc.

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CBWL-Hayden, Stone Inc.

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TOPPER CORPORATION

Summary of Terms
Convertible Subordinated Debentures due 1986

Amount:	$5,000,000
Purchase Price:	100% of principal amount
Interest Rate:	7 1/2%
Maturity:	15 years
Redemption: 2 yrs. no call 175% 3rd yr 150 4 " 150 5	The Debentures will be redeemable on at least 30 days prior notice (a) through operation of the sinking funds (mandatory and optional) at 100% of the principal amount thereof plus interest accrued to the redemption date, and (b) at any time as a whole or in part at an initial redemption price in the first year of 107 1/2% of the principal amount thereof scaling down by equal annual amounts to 100% of the principal amount in the 15th year from the date of issuance. Notwithstanding the foregoing, the Company may not redeem any Debentures prior to the earlier of (i) two years from the date of issuance of the Debentures or (ii) at any time subsequent to the Company's common stock trading for at least 30 consecutive days at a price representing a 50% premium over the conversion price of the Debentures.
Conversion: price 15	The Debentures are convertible at the option of the holder, in whole or in part, into shares of the Company's common stock at a price to be agreed upon prior to the closing hereof. A premium in the 15% range is anticipated.

① Strong antidilution

Ford Agreement

New Debt

① Now no debt of 40% of net tangible assets —
– 50% after 5 yrs

② Want $20.0 mm net working capital

③ $3.0 mm purchase money mortgage
instead of $500,000

④ Coverage of 3.0x pretax over life
of loan for new debt   Pro forma
all interest

⑤ Capitaliz of leases ?

⑥ Debt guaranteed in event of merger —

⑦ Invest in subsidiaries ?

Short term debt lid – priority none.

Sinking Fund:

Start in 6 yrs
& retire entire
issue in
equal
installments

Call at 107½ &
decrease
thereafter

The Company will pay $500,000 annually commencing in 1977 (the sixth year) which will provide for the retirement of 90% of the issue prior to maturity. The Company will also have the option to make an optional sinking fund payment commencing in 1977, in cash not exceeding the amount of the mandatory sinking fund payment.

The Company may, at its option, receive credit against the sinking fund for the principal amount of (i) Debentures acquired (otherwise than by redemption) by the Company and surrendered for cancellation and (ii) Debentures redeemed or called for redemption (otherwise than through operation of the sinking fund).

Restriction as to Dividends:

?

The Company may not (i) pay any dividends on its stock (other than those payable in shares of stock) or (b) purchase, retire or redeem any shares of its stock, if such payments and purchases, redemptions or retirements exceed the sum of (1) consolidated earnings after December 31, 1971 (2) $1,000,000 and (3) the net proceeds to the Company of sales of stock or indebtedness which has been converted into stock after December 31, 1971.

Registration Rights:

1 right after Dec 31 71
free

Piggyback - 30 [illegible]
unlimited ?

The holders of 40% in principal amount of the Debentures have the right to request a registration of the underlying shares of common stock in conjunction with an underwritten public offering subsequent to two years from the date of issuance of the Debentures at the expense of the Company and shall have the right to one additional registration and one piggyback registration at their expense provided, however, that the Company will not be required to have an audit other than its year end audit and will not be required to file a registration within 9 months of an effective registration.

INTRODUCTION

Topper Corporation (the "Company" or "Topper") was organized in 1966 to acquire the assets and assume the liabilities of DeLuxe Reading Corporation, a subsidiary of Philadelphia & Reading Corporation, engaged in the manufacture and distribution of Toys. In 1960, DeLuxe Reading had acquired this business from Henry and Marrius Orenstein, who at that time manufactured and distributed toys through supermarkets. In the early 1960's the discount chains initiated a policy of cutting prices on toys heavily advertised on television to attract customers to their stores. The intense competition created by increased advertising and lower toy prices virtually eliminated supermarkets as a profitable outlet for toy distribution. In 1964, the Company initiated the distribution of its products through jobbers, wholesalers and conventional retail stores. This program was supplemented by an intensive television advertising campaign. Results of operations for the last four years reflect the high costs involved in changing from an outmoded to a totally different method of distribution, the elimination of associated problems, and increasing income from continuing toy operations. Net sales and income (loss) from continuing toy operations (before Federal income taxes) for the four years ended December 31, 1970 and projected operating results for the year ending December 31, 1971, are set forth in summary form in the table below:

(000)	1967 (1)	1968	1969	1970	1971(E)
Net Sales	$30,293	$35,036	$53,723	$63,936	$68,000
Income from continuing toy operations bef. Fed. Inc. Taxes	(582)	1,074	2,716	2,927	5,173

(1) eleven months

The Company presently markets six categories of toys and has recently entered into an agreement with Children's Television Workshop to design, develop, manufacture and distribute a line of educational playthings under the "Sesame Street" name.

USE OF PROCEEDS

The Company proposes to use the net proceeds of this placement to reduce its bank indebtedness, which will enable the Company to reduce the effective interest cost on its bank loans. Peak borrowing periods normally occur during the final quarter of the calendar year to finance inventory and receivables during the holiday season and are normally paid back during the early part of the next year.

CAPITALIZATION

The capitalization of the Company as of March 31, 1971, and as adjusted to give effect to the sale of 658,525 shares of common stock on April 29, 1971, the 7 1/2% Convertible Subordinated Debentures offered hereby, and the Senior Notes due 1977 was as follows:

Title of Class	Outstanding	As Adjusted
Bank Loans	$19,565,948	$ 3,064,086
10% Subordinated Notes Due 6/30/71	1,350,000	-
10% Subordinated Notes Due 1/31/72	3,850,000	3,850,000
Installment Notes Payable	93,955	93,955
Senior Notes Due 1977 (1)	-	7,000,000
7 1/2% Convertible Subordinated Debentures Due 1986	-	5,000,000
Total Debt	$24,859,903	$19,008,041
5% Cumulative Preferred Stock, par value $100 per share, 30,000 shares authorized	19,800 shs. (2)	19,800shs. (2)
Common Stock, par value $1 per share, 5,000,000 shs. authorized (4)	3,030,874 shs. (3)	3,689,399 shs. (3)

(1) Interest rate (5 1/2%) above prime commercial rate with a maximum of 14%; secured pari passu with bank debt. See Financing Agreement in the Company's prospectus attached hereto as Exhibit 1.

(2) Excludes 10,200 shares of Treasury Stock.

(3) Excludes 50,600 shares of Treasury Stock.

(4) Includes 152,426 shares of Common stock reserved at 3/31/71 for issuance upon exercise of stock options.

BUSINESS

The Company is engaged in the design, manufacture and sale of toys for boys and girls. The Company presently manufactures and markets six general lines of products including (1) "Dawn" fashion dolls, outfits and accessories; (2) the "Suzy Homemaker" toy household appliances; (3) "Johnny Lightning" die-cast miniature cars and racing sets; (4) "Ding-a-ling" mechanical robots; (5) "Zoomer-Boomer" motorized toy cars and trucks; and (6) other dolls, including a new talking doll, "Smartypants".

PRODUCTS

Dawn Fashion Dolls

In 1970, the Company introduced Dawn, a 6 1/2" fashion doll with designer clothes and accessories. Dawn was originated by the Company to compete with Mattel's "Barbie" which had dominated the fashion doll market since its introduction approximately 13 years ago. In 1970, the Company offered 4 doll packages, 40 clothing styles and 8 accessories. In December, 1970, the Company sold under its Spring program approximately $11 million of the Dawn line. Similar to the practice of Mattel and other major toy companies. Topper permitted payment for these items on an extended dating basis. For 1971, the Company has expanded this line to include 19 doll packages, 75 clothing styles and 16 accessories. The excellent reception to the Spring program and first quarter results indicate that Dawn, as well as the Company's other low-priced products, appears to be selling on a year-round basis and should serve to reduce the Company's seasonal volume and earnings fluctuations. The Dawn dolls, clothing and accessories usually retail at prices ranging from $1 to $15. Most of this line is manufactured in Hong Kong and Japan utilizing tooling designed by the Company in the United States.

Suzy Homemaker Toy Appliances

The Company has manufactured and marketed the Suzy Homemaker line of toy appliances since 1966. The Company believes it has a proprietary position in the functioning toy appliance market. Present products include ovens, popcorn poppers, juicers, washing machines, blenders, mixers and a number of other appliance items.

All of the various products are functional. These products sell at retail prices ranging from $2 to $10 and are manufactured both in the United States and the Orient under high quality control standards.

The Company has complied with the Child Protection and Toy Safety Act of 1969 and has never had any of its toys removed from the market under such Act. The Suzy Homemaker line of toy appliances has extensive built-in safety features to assure that children will not be injured operating the appliances.

Dolls

The Company designs and markets baby dolls on an annual basis. Each doll or doll line is normally marketed for a period of only a few years. The Company's newest doll, Smartypants, is programmed to reply to questions by touch. Smartypants is made in the United States. Current market reaction indicates Smartypants will be the most successful baby doll in Topper's history and one of the most successful industrywide in 1971.

Toy Cars and Trucks

This spring the Company introduced the Zoomer-Boomer line of heavy gauge steel cars and trucks. Zoomer-Boomers were designed to compete with similar product lines, as characterized by those manufactured by Tonka. Unlike Tonka's products, however, the Zoomer-Boomers are equipped with snap-in motors which are interchangeable among the various Zoomer-Boomer cars and trucks. These products are well-designed, reliable and low priced and are expected to sell on a year-round basis. Market reaction to the Zoomer-Boomer line has been very favorable.

Ding-a-lings

The Company introduced an entirely new category of toys this spring called Ding-a-lings. Ding-a-lings are motorized robots which move on tracks. The Company plans to commence shipment of this product-line during the summer months. The line is low-priced and designed to sell on a year-round basis.

Johnny Lightning Racing Sets

In 1969, Topper introduced a line of die-cast miniature cars, plastic track sets and accessories under the name of "Johnny Lightning". These cars operate on plastic tracks and are extremely fast with real speeds in excess of 20 m.p.h. and scale speeds approximating 1500 m.p.h. On the basis of competitive testing, the Johnny Lightning cars are the fastest available in the toy industry. The Johnny Lightning cars and "Big Switch" sets were designed and marketed to compete with Mattel's "Hot Wheels". In late 1970, an oversupply of Hot Wheels, and to some extent Johnny Lightning, developed in the marketplace. It is expected that miniature racing car sales will be slow in 1971 while excess inventory held by retailers is liquidated.

The Company has received additional publicity for the name "Johnny Lightning" through its sponsorship of the Johnny Lightning 500 Special racing car which won the Indianapolis 500 Championship race in both 1970 and 1971.

AGREEMENT WITH CHILDREN'S TELEVISION WORKSHOP (CTW)

In March 1971, Topper was awarded a contract to design, manufacture and market a line of educational playthings under the Sesame Street name. This contract was won in competition with the leading toy companies in the United States including Mattel, Ideal and Hasbro. In competing the Company designed and developed a number of educational playthings including a telephone which utilizes a dial system consisting of letters to enable the child to dial various animals, things and Sesame Street characters. When the child spells the name correctly he receives a reply. No answer is received if the word is dialed incorrectly. Through this "Spell-O-Phone", a child may be able to learn and spell hundreds of words and it is hoped the phone may be adapted to teach languages, number recognition and simple arithmetic. The Company has also developed plush hand puppets of Sesame Street characters, "Walking Letters" and a number of other educational playthings, all of which will be marketed under the "Sesame Street" name. The Company plans to show the Sesame Street line to buyers in 12 major cities throughout the country from late July to mid-August and to accept orders for shipments beginning in October 1971.

Sesame Street is an extremely well-known children's educational television program which is currently seen by an estimated 8 million children per day. The use of the Sesame Street name represents a unique opportunity for the Company to enter the pre-school educational toy market. Children's Television Workshop's objective is to provide multimedia educational content to the world market through the use of its name. Sesame Street is planning to introduce this fall a new program designed to teach reading to the 6-10 year old group in the United States. Sesame Street is currently working on a Spanish language version of the show for Latin and South American countries as well as French and German editions.

In brief, the Sesame Street contract provides that the Company may market all approved toys under the Sesame Street name. The Company provides design and development cost, tooling and advertising. Profits, if any, will be divided equally. While this contract is not on an over-all exclusive basis, it does provide protection on a product-by-product basis as in the case of the telephone.

The market for toys in the 1970's appears to be changing. Toys with the greatest consumer response in the next decade will be ones which represent action, will have educational content and will be engineered for safety. The Company is aware of the changing market environment and expects to stress the educational value of its toys. As toys and games are viewed as learning devices, the Company should be less dependent upon the historical seasonality of its business and the toy industry, where over 50% of all sales occur during the final calendar quarter.

NEW PRODUCT DEVELOPMENT

In large measure the Company's financial success is dependent upon its ability to design and develop major new product lines for the marketplace. Topper employs approximately 60 persons for this effort, including designers, artists, model makers and engineers. The Company has budgeted in excess of $1,000,000 for new product development this year.

The Company's new product development program may be divided into several phases. In the first stage the Company's top officers screen new product ideas presented by Topper's staff and outside sources. Such initial screening involves an examination of the potential market, the feasibility of producing and marketing such a product, and the costs involved. The Company estimates that over 90% of the new product ideas screened are eliminated at this stage. In the second stage the Company undertakes an in-depth market study and detailed cost-of-production analysis of such items, and when advisable, actually hand produces a prototype for market testing with children. At such testing the Company displays competitive products as well as its own to determine the degree of acceptability in a competitive environment. In addition, the Company also tests the reaction of selected key buyers in the toy industry. Only a limited number of new product ideas, perhaps two to five a year, meet the Company's standards and are seriously considered for introduction into the market. Topper will then produce the proposed product in limited quantities for display at the Toy Fair held each year in New York City. Most major customers visit the Fair and view the products on display, and as a result, the Company is in a position to gauge nationwide reaction to its new products as well as receive initial orders. At this point, usually March or April, Topper can make a reasonable projection as to the market potential and future profitability for such products. While the system cannot assure a new product's success, it does limit the Company's exposure and reduce the risk that the Company will have invested substantial capital in a toy with little market appeal. It should also be noted that while Topper has developed innovative toys, most of the Company's product lines have been designed to compete in already established segments of the toy market. For example, Dawn was designed to compete with Barbie, a well-recognized and successful product, and Zoomer-Boomers were designed to capture a part of the toy car and truck market heretofore dominated by Tonka.

MANUFACTURING

The Company's principal manufacturing and warehousing facilities are located in a leased plant in Elizabeth, New Jersey. In addition to its own product capabilities and the capacity of its injection molding plant, the Company purchases certain parts and toy components from independent subcontractors. In general, Topper produces sophisticated toys requiring high quality control standards in its domestic facility. Such merchandise is supplemented by the importation from Japan and Hong Kong of most of the Dawn line of fashion dolls and clothing, a portion of the Suzy Homemaker line of appliances, and the Ding-a-lings and Zoomer-Boomers. Such products are made by foreign contractors to the Company's specifications under the direct supervision of approximately 75 Topper personnel located in Japan and Hong Kong. All of the tooling required is produced to Company specifications and quality control standards are set and supervised by the Company. See "Property" in prospectus in Exhibit 1 for lease terms.

The Company has followed the policy of making no direct investment in foreign plant and equipment since it believes that labor and political problems would result in costs exceeding that which it presently pays foreign contractors. In addition, Topper has substantial product and price flexibility because of its ability to utilize a number of foreign contractors. The Company estimates that between 45% and 55% of its cost of sales in 1971 will be attributable to purchases from foreign sources and anticipates maintaining this percentage range over the near term. Topper transports such products by ship except when immediate demand requires air transportation. The Company has not been adversely affected by international commercial relations or by tariffs and does not anticipate such problems in the near future, although there can be no assurances that such problems will not develop.

INTERNATIONAL OPERATIONS AND LICENSING

The international operations of the Company, with the exception of the Hong Kong and Japan staff, are under the direction of David Downs, Executive Vice President. The Company does not own any facilities abroad, and its international operations have not been substantial to date. With the advent of the Sesame Street business and Topper's expanding product line, the international segment of Topper's business should grow at a faster rate than the Company as a whole.

Topper presently has licensing agreements for distribution of its toys in Canada and Mexico. Topper has a guarantee from the largest toy company in Canada, Irwin Toy, Ltd., of $150,000 against 5% of net sales of Topper's products in that country in 1971. To insure the same high quality merchandise, Topper lends the tools for the various products to Irwin. Sales of Topper toys in Canada are currently limited to the Dawn line. In Mexico the Company has an annual guarantee of $75,000 as against 5% of the sales of Topper's products in that country. As in Canada, this arrangement is with the largest toy manufacturer and distributor in the country. Topper is currently reviewing the economics of toy distribution throughout all of Latin America through its Mexican licensee. The Company also has licensees in England and Japan and has initiated distribution in Italy, Germany and France. It is presently studying other foreign markets for its products and the alternative methods of reaching those markets. We anticipate that foreign operations will make a more substantial contribution to the Company's earnings this year and in 1972 and 1973.

The Company also licenses domestically the use of the names of various of its products outside the toy industry. For example, the Company licenses the manufacture and sale of Dawn and Johnny Lightning lunchboxes, coloring books, etc. The Company anticipates that it will continue to license the use of its trademarks to others for related items which it does not wish to manufacture and sell. While such activities have not produced substantial income to date, the Company anticipates that this income will grow as the product lines expand.

MANAGEMENT

Topper has an imaginative and solid management team with broad experience in all phases of the toy industry. Henry Orenstein and his senior management group have demonstrated their ability over the last four years to record significant gains in sales and income. Management's high record of achievement was underscored by CTW's selection of Topper. A brief description of the senior officers and their responsibilities is set forth below:

Henry Orenstein, President and director, and Marrius Orenstein, Senior Vice President and director, founded the Company's business predecessor in 1953. Henry Orenstein, who is a creative toy executive, is in charge of the Company's overall operations.

Albert N. Hammer, Executive Vice President and director, has been engaged in the toy business with the Company or its predecessor for the past 15 years. Mr. Hammer devotes a considerable portion of his time to assisting Mr. Orenstein in directing the overall operations of the Company and has been responsible for the development of the Company's operations in the Orient.

David L. Downs, Executive Vice President - Corporate Development and director, is in charge of overall corporate development and also has major responsibilities in the areas of banking and governmental relations and international operations. Mr. Downs joined the Company in 1969 after spending 14 years with Manufacturers Hanover Trust Company where he was a vice president.

Jack J. Rose, Senior Vice President - Finance, is the Company's chief financial officer and is responsible for banking, finance and legal affairs. Mr. Rose, a CPA and attorney, was treasurer of the Lionel Corporation from 1965 to 1966 at which time he joined the Company.

Peter J. Casatta, Senior Vice President - Manufacturing, is responsible for the total manufacturing operations of the Company. He has been engaged in the toy business with the Company or its predecessor for the past seven years. Prior thereto, he was plant manager of the Dejur Corporation.

Jack Jones, Senior Vice President - Marketing, has recently joined Topper from Mattel where he was vice president of corporate advertising. At Topper he is responsible for advertising and sales promotion, public relations and the company's overall marketing strategy. It is expected that he will become a member of the Board of Directors.

Sidney Tepper, Senior Vice President - Engineering, is responsible for the engineering elements of the Company's business. He has been with the Company or its predecessor for over five years and prior thereto was employed by General Instrument Corporation in an engineering capacity.

In addition to the officers who are Directors, the Board also includes Roger S. Berlind, Glover Johnson and Sanford I. Weill.

/White & Case

COMPETITION

The toy industry is extremely competitive primarily because of the ease of entry into those areas of the market where brand identity is non-existent. In those items where little or no proprietary protection exists, foreign competition is also extremely keen. The development of "staple" product lines with a brand identity lessens competition in price and distribution. The Company believes that its Suzy Homemaker and Dawn lines are staple businesses and that while there are a large number of companies producing educational and pre-school toys, including Fisher-Price and Playschool, we believe that the Sesame Street line of educational playthings will not face the intense competition found in most of Topper's categories.

The Company directly competes with a broad number of major toy companies, as well as importers and smaller toy manufacturers and distributors. It believes that its major competitor is Mattel, Inc. Mattel's major strength lies in its extremely broad distribution system which considerably exceeds that of any other toy company in the industry. The Company also considers Milton Bradley, Ideal, Hasbro and to a lesser extent Tonka, as competitors. Ideal has a greater portion of its business in games, while Tonka does not have as broad a product line as Topper.

THE TOY INDUSTRY

It is difficult to obtain reliable statistics on the overall size of the toy industry and a breakdown of market by product and sales of the various major companies within the industry. This difficulty is attributable principally to three factors: (1) the extraordinary secrecy of the major companies' new product development and subsequent sales by line; (2) the large number of domestic manufacturers and distributors; and (3) the large number of units and dollar amount of toys imported directly by major retailers. In terms of wholesale shipments by U. S. manufacturers, the overall size of the industry was approximately $2.2 billion in 1970, having increased from $.8 billion in 1960, representing a compound growth rate of approximately 10.6% (see Exhibit 2). U. S. Department of Commerce projections indicate an increase of approximately 5% in 1971, with industry sources estimating 8-10%. One of the more interesting aspects of the growth of the industry has been the accelerated growth pattern of the larger companies. In 1960, industry sources estimated that the top ten companies had sales approximating 20% of total sales or approximately $.16 billion. By 1970, the top ten companies had increased their market penetration to approximately 40% or $.88 billion, a compound sales growth rate of approximately 18.6%. Based upon the larger companies' greater financial resources, know-how in market research, new product development, merchandising and advertising, it is not unreasonable to assume a continuation of this trend. Topper is one of the five largest domestic toy companies.

The toys and games segment of the industry has shown the greatest growth, averaging approximately 6% annually in the 1960-1970 period. Imports have been growing rapidly as a percentage of the total value of shipments, increasing from approximately $108.4 million in 1960 to $592.8 million in 1970, for a compound rate of growth of approximately 18.5%. It is anticipated that this trend will continue since many toys are labor intensive and can be more cheaply produced abroad.

The future of the industry appears bright. The demand for toys correlates to a large degree with disposable personal income and the size of the population under 17 years of age. This group is expected to grow to 77.8 million over the next five years, or 6.6% higher than 1970. By 1980 the size of this group is estimated to be 85.1 million, or 16.4% higher than 1970. It is significant to note that the fastest growth in population of the under-17 age group is expected to occur in the group of up to 5 years of age. This group is expected to increase 21.6% from 1970 - 1975 and 39.7% from 1970 - 1980.

U. S. Department of Commerce figures indicate that disposable personal income has been increasing at a 6% - 7% compound rate (1960-1970) and should continue at this rate of growth over the next 10 years. The U. S. Department of Commerce projects toy shipments to increase by approximately 10% from 1970 to 1975 and approximately 38% from 1970 to 1980. Toys and games should continue to be the fastest-growing segment of the industry. Toys and games of an educational nature should increase in popularity and show a better growth rate than the industry as a whole. On the basis of this broad overview, Topper's focus on Sesame Street and related playthings should enable it to substantially exceed the growth rate of the industry as a whole.

FINANCIAL

The Company's results of operations for the four years ended December 31, 1970, and results for the first quarter ending March 31, 1971 are set forth on pages 6, 7 and 9 of the prospectus attached hereto as Exhibit I. The Company has increased its net sales from $35,036,034 for the year ended December 31, 1968 to $63,935,619 in 1970, an increase of 83%. In that same period, income from continuing toy operations before provision for federal income taxes increased from $1,073,684 to $2,927,495, an increase of 173%. We have not broken down the Company's sales and pre-tax income by product line. The sales contribution of each product category on an historical basis will be provided to interested potential purchasers. In general, a product category's contribution to pre-tax income directly relates to its contribution to net sales as the Company normally prices its products on the basis of 2.8 times direct material and labor costs less approximately 15% to reflect discounts. Advertising expenditures are budgeted and normally incurred in relation to projected sales. While it is true that some items within a category such as Dawn apparel and accessories carry higher profit margins due to the willingness of customers to pay a premium for some items, it is still accurate to correlate each category's contribution to pre-tax net income to its contribution to net sales.

Cost of Goods Sold excluding depreciation have averaged 59.7% of sales for the last 3 years and pre-tax net income from continuing toy operations as a percentage of sales ranged from 3.1% to 5.1%. Depreciation and amortization, principally for tooling, ranged from $3,116,497 in 1968, or 8.9% of net sales, to $5,796,463 in 1970, again 8.9% of net sales. During this period depreciation charges were considerably higher as a percentage of sales than any other major toy company in the industry. A considerable portion of such charges, approximately $1,800,000 in each of the years 1968, 1969, and 1970, is related to the write-off of certain tooling purchased when the Company acquired the assets and liabilities of the toy business of DeLuxe Reading Corporation. Excess depreciation charges associated with such tooling should approximate $1,500,000 in 1971 and drop to approximately $200,000 in 1972 and 1973.

PROJECTIONS

The Company's projections for the years to end December 31, 1971 through 1975 are set forth in Exhibit 3. A review of the sales projections shows that the Company contemplates an increase from the estimated $68 million in 1971 to the $120 million range by 1975, a compounded growth rate of approximately 15%. It is anticipated that sales from the Company's Sesame Street product line should grow at a substantially faster rate than total sales. The Company has not provided sales projections by product category for competitive reasons and because a large percentage of its business has been represented by the sale of "promotional" rather than "staple" toys. It has been the Company's experience that overall sales may be projected with a reasonable degree of accuracy; however, sales within a product category may exceed or fall below expectations. Normally the Company does not have substantial forward commitments in terms of product and inventory until actual retail consumer interest in a product has been demonstrated. In addition, advertising commitments are flexible and may be switched from one toy category to another depending upon consumer response. A review of estimated gross profit margins indicates that it is management's belief that the Company will reduce its cost of goods sold, excluding depreciation, as a percentage of sales from the 59.4%

in 1970 to approximately 54.9% in 1972. The Company believes such improvement will result from a combination of a relatively fixed overhead being spread over larger sales and cost savings in material and labor provided by increased utilization of manufacturing facilities located in the Orient. Imported items should range between 45% - 55% of total dollar purchases over the period.

Depreciation and amortization, principally of tooling, is projected to decline from approximately 4.6% of net sales in 1971 (6.8% including extraordinary depreciation) to approximately 3.1% by 1975. This expense has historically been included in cost of sales. The reduction in estimated depreciation expense as a percentage of sales reflects the introduction of the Sesame Street program and an expansion of the number of categories of Topper toys. In 1971, estimated normal depreciation and amortization includes a substantial amortization of the tooling utilized in the Johnny Lightning line. Depreciation attributable to this product-line will decline substantially in 1972.

Selling and advertising expense as a percentage of net sales is expected to decline from an estimated 18% in 1971 to 13.5% by 1975. Advertising expenses of the Sesame Street program should be considerably less than those associated with other Topper products, as heavy television expenditures are not anticipated. In addition, management believes that advertising expense related to sales on standard Topper toy categories will decline over the next five years. General and administrative expense is expected to decline from approximately 5.2% of net sales in 1971 to approximately 4.1% in 1975. It is management's belief that the forecasted increase in sales over this period will not require a proportionate increase in fixed costs such as personnel and systems hardware and software expenses. Engineering and research and development expenditures should increase from the contemplated $1.115 million level in 1971 by approximately 36.8% to $1.525 million by 1975.

The item shown as "other deductions" includes royalties payable to CTW, and the increase shown represents the forecasted increase in Sesame Street sales.

Pre-tax normal profit margins are estimated to increase from 9.8% in 1971 to approximately the 21% level by 1974. The Company believes these margins are attainable based upon its ability to concentrate efforts on a larger number of staple product categories and to effectively merchandise promotional items through mass media.

Management has also prepared a cash flow projection for the period ending December 31, 1971 through December 31, 1975 (see Exhibit 4). A brief review of this projection shows that senior debt, subordinated debt and equity financing represents approximately 20% of estimated receipts for the year to be ended December 31, 1971. The large net cash surplus of $27.5 million estimated to be generated in 1971 gives the Company the ability to pay down all of its short-term indebtedness by the end of the year and have a cash or cash equivalent position of approximately $5.5 million. No additional long-term financings are contemplated for this period, as the Company's operation should generate substantial cash surpluses through the balance of the period. It should be noted that the Company projects that it will pay no significant Federal income taxes until the year ended December 31, 1973 when it is estimated that approximately $9 million will be paid. (See Note (c) to Consolidated Statement of Operations in the Company's prospectus.) Federal income tax payments, substantial increases in annual royalties to CTW and the substantial increase in the preferred stock sinking fund commitments account for the small net cash surplus projection for the year 1973. In 1974 there is a substantial increase in the amount of accounts receivable receipts anticipated which again enables the Company to show a substantial net cash surplus for that year. By the end of 1975 the Company expects to have a substantial cash or cash equivalent position of approximately $12.75 million, which provides flexibility in the arrangement of repayment of its senior debt.

In Exhibit 5, historical interest coverage for Topper has been computed for the years ended December 31, 1967 (11 months) through December 31, 1970, the latest 12 months through March 31, 1971 and has been projected for the period 1971 through 1975. A review of this exhibit indicates pro forma historical interest coverage ranges from 1.2x in 1967 to 3.3x in 1970. It is important to note that the interest coverage has increased on an historical basis in each year through December 31, 1970 and for the 12 months ended March 31, 1971. It should also be noted that pro forma interest is lower than the interest actually incurred in 1970. Therefore, while Topper is adding a substantial amount of long-term funded debt to its balance sheet, the interest expense of the short-term and long-term debt outstanding during the 1971-1975 period should be less than the cost in 1970. The line "interest on debt" represents the actual expense through December 31, 1970 and management's estimate of actual interest expense to be incurred in the years 1971 through 1975.

A projected pro forma balance sheet for the 5 year period ending December 31, 1975 has been prepared by management as set forth in Exhibit 6. This exhibit shows that net worth is projected to increase from approximately $20 million by year-end 1971 to approximately $57 million in 1975, an increase of 185%. The exhibit also reflects the Company's increasing liquidity during the period and improving current ratio. The Company's projected over all liquidity position is extremely strong as evidenced by the high percentage of total assets represented by current assets. Also included in Exhibit 7 is a computation of the Company's net tangible assets, net tangible assets per $1,000 of long-term debt and net current assets per $1,000 of long-term debt proforma for December 31, 1970 and estimated for December 31, 1971.

It is clear from a review of the Company's projections that management believes the Company has a capacity for rapid growth in both sales and income. The Company projects that pre-tax profits before extraordinary depreciation will increase from $6.7 million in 1971 to an estimated $24.7 million by 1975, a compound growth rate approximating 39%. While a compound growth rate of approximately 15% in net sales and 39% in pre-tax net income is certainly high in relation to most industries, it should be pointed out that Ideal Toy Company in the four year period January 31, 1967 to January 28, 1971 achieved a 39% pre-tax income compound growth rate on an 11.8% compound sales growth rate. In addition, in the four year period January 29, 1966 through January 31, 1970, Mattel's pre-tax compound rate of growth was approximately 50% on a compound sales growth rate of 25%. In light of the Company's Sesame Street program, the Company's sound financial condition and its creative management group, it would appear that such levels of achievement can be realized.

INDUSTRY COMPARISON

We have compared Topper with selected toy companies, including Mattel, Hasbro, Milton Bradley, Tonka and Ideal in Exhibit 8. A review of this exhibit indicates that Topper's sales growth rate as a percentage of 1966 sales (1967 with respect to Topper) is the second fastest of all such companies. Mattel's exceeds Topper's rate of growth, but much of such growth is attributed to an aggressive acquisition program. On an historical basis, Topper's cost of goods sold as a percentage of sales has been higher than Mattel's, Ideal's and

Milton Bradley's, but better than Hasbro's and Tonka's. One of the reasons for this has been the high depreciation and amortization expenses incurred by Topper relative to the other companies. Topper's selling, general and administrative expenses as a percentage of sales compares favorably with its competitors and in fact, is second only to Tonka in terms of fiscal 1970 results.

Topper's pre-tax profit margins have not compared favorably with Milton Bradley's, Mattel's and Ideal's, principally because of the poor capitalization of the Company in its early years, high depreciation charges, and management's concentration on the critical problems facing the Company in its early stages of development, rather than upon expansion of the Company's business. As indicated under "Projections", management believes that the Company has the capacity to achieve higher profit margins than those exhibited by any of its competitors.

It should be noted that the price/earnings ratios of these companies range from Hasbro's 63.8, which is a reflection of the Company's poor performance rather than a true indication of a multiple to be expected on substantial earnings, to Tonka's 20.5. Mattel sells at over 35 times current earnings. Should forecasted results materialize, it is anticipated that Topper's price/earnings ratio should be at the higher end of the P/E range of comparable companies in Exhibit 8, excluding Hasbro. The P/E average of these companies excluding Hasbro is 27.2. The combination of the Company's high earnings growth capacity and the high price/earnings ratios accorded successful toy companies substantiates the Company's equity investment potential.

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750,000 SHARES

TOPPER CORPORATION

COMMON STOCK

Of the 750,000 shares of Common Stock offered hereby, 91,475 shares are being sold by shareholders of the Company. (See SELLING SHAREHOLDERS.) The Company will not receive any of the proceeds from the sale of such shares.

The public offering price has been determined by negotiation between the Company, the Selling Shareholders and the Underwriters. The high bid and low asked prices of the Company's Common Stock in the over-the-counter market on April 28, 1971 were 10⅞ and 11, respectively.

***This offering involves special risks. (See* INTRODUCTORY STATEMENT.)**

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Price to Public	Underwriting Discounts and Commissions (1)	Proceeds to Company (2)	Proceeds to Selling Shareholders (2)
Per Share	$10.50	$.84	$9.66	$9.66
Total	$7,875,000	$630,000	$6,361,351.50	$883,648.50

(1) See UNDERWRITING with respect to indemnification of the Underwriters by the Company.

(2) Before deducting estimated expenses of $159,489 payable by the Company, $5,511 payable by certain Selling Shareholders and approximately $3,400 payable pro rata by all the Selling Shareholders.

The shares of Common Stock are being offered hereby subject to prior sale, to withdrawal, cancellation or modification of the offer without notice, to delivery to and acceptance by the Underwriters, to the approval of counsel for the Underwriters, the Company and the Selling Shareholders and to certain further conditions. It is expected that delivery of certificates for the Common Stock will be made on or about May 6, 1971.

CBWL-Hayden, Stone Inc.

The date of this Prospectus is April 29, 1971.

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No dealer, salesman or other person has been authorized to give any information or to make any representation, other than those contained herein, in connection with any offer contained in this Prospectus, and if given or made, such information or representation must not be relied upon as having been authorized by the Company, Selling Shareholders or Underwriters. This Prospectus does not constitute an offer by the Company, Selling Shareholders or Underwriters to sell securities in any state to any person to whom it is unlawful to make such offer. Except where otherwise indicated herein, this Prospectus speaks as of its date and neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, create an implication that there has been no change in the affairs of the Company since the date hereof.

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IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE COMMON STOCK AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

A 2754

THE COMPANY

The Company manufactures and markets toys for boys and girls. Its products include the *Dawn* line of fashion dolls, clothing outfits and accessories, toy household appliances sold under the name *Suzy Homemaker, Johnny Lightning* die-cast miniature cars and racing sets, *Ding-A-Ling* robots, *Zoomer Boomer* steel trucks, and dolls, including, among others, *Smartypants.* The Company has recently entered into a royalty agreement pursuant to which it will undertake the design, development, manufacture and distribution, under the "Sesame Street" name, of a line of educational playthings. Although no reliable statistical information is currently available to indicate the relative position of the Company, the Company believes that it is one of the ten largest toy manufacturers in the United States. The Company makes extensive use, on a nationwide basis, of television advertising; in 1970, it expended approximately $9,800,000 for advertising or approximately 15% of total sales for such year.

The Company was incorporated in Delaware as De Luxe Topper Corporation in 1966. In 1968 its name was changed to Topper Corporation. The Company is the successor to a business which commenced the distribution of toys through supermarkets in 1953. (See BUSINESS—"History".) Its executive offices and manufacturing facilities are located at 107 Trumbull Street, Elizabeth, New Jersey 07206 (201-351-4400). Unless the context requires otherwise, the term "Company", as used herein, refers to Topper Corporation and its subsidiaries and, where applicable, its business predecessor.

INTRODUCTORY STATEMENT

Risks Involved in the Offering

This offering is speculative in nature and the prospective investor should be aware of the following information:

1. The Company suffered a net loss of $18,715,000 for the period from October 4, 1966 to February 4, 1967 and a net loss of $833,000 for the period from February 5, 1967 to December 31, 1967, and its business predecessor suffered a net loss of $8,622,000 during the first nine months of 1966. (See CONSOLIDATED STATEMENT OF OPERATIONS.) Because of the financial crisis precipitated by such losses and in order to permit continued operations, the Company entered into an arrangement with the seller from which it purchased the toy business, whereby the seller agreed to the deferral and the eventual forgiveness of the greater part of the debt due to the seller (the balance of the indebtedness has been paid). Arrangements were also made with the Company's banks and its advertising agency which included the introduction of junior participations in the bank loans and the payment to the advertising agency of its outstanding indebtedness over the first nine months of 1967. (See CERTAIN TRANSACTIONS—"Financing and Related Transactions" and Note 6 to the Consolidated Financial Statements.)

2. A significant portion of the toys manufactured by the Company are marketed for no longer than a few years and, consequently, the Company's business is largely dependent upon its ability continually to develop new products. (See BUSINESS.)

3. The Company imports, primarily from Japan and Hong Kong, substantial amounts of products and components. The Company is thus subject to the risks inherent in depending upon foreign suppliers, including the potential for delays in deliveries, losses and damages in transit and the imposition of import and export duties. (See BUSINESS—"Manufacturing".)

4. The Company's operations are dependent in large part upon the continuation of its bank borrowings, which are payable on demand. (See BUSINESS—"Financing Agreement" and Note 2 to the Consolidated Financial Statements.)

5. Federal legislation was enacted in late 1969 which grants the Secretary of Health, Education and Welfare peremptory authority, under certain circumstances, to require removal from the marketplace of a toy determined to expose a child to electrical, mechanical or thermal hazards. Although the manufacturer thereof has available administrative remedies to reverse such determination, the toy concerned is banned from the marketplace pending clarification of its status. Although none of the Company's products has been deemed hazardous under the provisions of such legislation and the Company intends to continue to comply with this legislation, its business could be adversely affected if one of its toys should be found to be hazardous within the meaning thereof, particularly if such toy were to be banned from the marketplace during the Christmas selling season. (See Business—"Child Protection and Toy Safety Act of 1969".)

6. Mr. Henry Orenstein, President of the Company, has an instrumental role in day-to-day operations—particularly with regard to product development and the creation of advertising—and his unavailability for any reason would have an adverse effect upon the Company and its business. In this connection, the Company maintains insurance on Mr. Orenstein's life in the amount of approximately $4,000,000.

7. There can be no assurance that the Company will not require additional financing of a long-term nature, and, if such financing is required, that it will be available on reasonable terms.

8. On August 21, 1970 a registration statement covering shares of Common Stock owned by certain shareholders of the Company and shares of Common Stock being offered to certain noteholders as an inducement to extend the maturity of their notes became effective. (See Certain Transactions—"Recent Offerings".) Such shares may be sold from time to time for a period of at least nine months after such date in the over-the-counter market or otherwise. As of March 1, 1971, a maximum of 156,200 such shares remained unsold, excluding those participating in this offering. Holders of a minimum of 64,250 such shares have agreed to make no offering, sale or other disposition of their shares for a period of 120 days after the effective date of this Prospectus without the prior written consent of the Representative of the Underwriters. To the extent that the balance of such shares are offered in the public marketplace, they may serve to depress the then market price for the shares being offered by this Prospectus.

Dilution

The net book value of the Company's 3,027,974 shares of Common Stock outstanding on December 31, 1970 was $2.96 per share. After giving effect to the sale of 658,525 shares being offered by the Company, and receipt of the net proceeds thereof, the book value as of such date would have been $4.11 per share. The resultant increase in net book value of $1.15 per share is attributable to the cash payments made by, and the immediate dilution from the public offering price is absorbed by, the purchasers of the shares offered by the Company hereby.

Application of Proceeds

The net proceeds to be received by the Company from its sale of 658,525 shares of Common Stock offered hereby (approximately $6,200,000 after deducting expenses) will be applied to the payment of $1,350,000 principal amount of the Company's 10% Notes (see Capitalization) and to the reduction of net borrowings under the Company's financing agreement with banks (see Business—"Financing Agreement"). The Company plans to borrow additional funds on a long term basis from institutional investors to increase its working capital provided acceptable terms for such financing can be obtained; it is possible that such terms may entail some form of equity participation on all or a portion of such borrowings. The Company expects its working capital requirements to be increased by reason of its introduction of the "Sesame Street" line. (See Business—"Recent Developments".)

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PRICE RANGE OF COMMON STOCK

Prior to June 3, 1970, no public market existed for the Common Stock of the Company. As reported by National Quotation Bureau, Incorporated, the high and low bid prices of the Common Stock in the over-the-counter market were as follows:

	High	Low
1970		
Second Quarter (from June 3)	5¾	4
Third Quarter	4½	3
Fourth Quarter	7¼	3½
1971		
First Quarter	9⅝	5⅛
Second Quarter (through April 28)	11½	8¾

The foregoing quotations represent prices between dealers and do not include retail mark-ups, mark-downs or commissions. Such quotations do not represent actual transactions.

On April 28, 1971 the high and low bid prices as so reported were 10⅞ and 10¾, respectively.

CAPITALIZATION

The capitalization of the Company as of March 31, 1971, and as adjusted to give effect to the sale of the 658,525 shares of Common Stock offered hereby and the application of the proceeds thereof, was as follows:

Title of Class	Outstanding	As Adjusted
Bank Loans (1)	$19,565,948	$14,714,086
10% Subordinated Notes due June 30, 1971	1,350,000	—
10% Subordinated Notes due January 31, 1972	3,850,000	3,850,000
Installment Notes Payable	93,955	93,955
Total Debt	$24,859,903	$18,658,041 (2)
5% Cumulative Preferred Stock, par value $100 per share, 30,000 shares authorized	19,800 shs. (3)	19,800 shs. (3)
Common Stock, par value $1 per share, 5,000,000 shares authorized (5)	3,030,874 shs. (4)	3,689,399 shs. (4)

(1) Represent bank borrowings payable on demand and incurred under a loan agreement which may be terminated by either party on January 31 of each year. Of the amount shown, $3,000,000 was held by the banks as cash collateral. The interest rate on the net utilized loans is 3.105% above the higher of the prime rate or 6% and on the cash collateral portion of the loan is 1.15% above the prime rate per annum. Substantially all of the Company's assets are pledged as collateral to secure these loans. For additional information concerning the Company's banking arrangements, including the minimum and maximum amounts borrowed during 1970, see BUSINESS—"Financing Agreement".

(2) Reference is made to CERTAIN TRANSACTIONS—"Recent Offerings" concerning the Company's contingent liability with respect to guarantees of bank loans to officers and employees.

(3) Excludes 10,200 shares of Treasury Stock.

(4) Excludes 50,600 shares of Treasury Stock.

(5) Includes 152,426 shares of Common Stock reserved at March 31, 1971 for issuance upon exercise of stock options. (See STOCK OPTION PLANS.)

For information concerning obligations under leases of real property, see Note 9 to the Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF OPERATIONS

The following consolidated statement of operations of Topper Corporation for the three years and eleven months ended December 31, 1970 has been examined by Arthur Young & Company, certified public accountants, whose report with respect thereto is contained elsewhere in this Prospectus. This statement should be read in conjunction with the other consolidated financial statements of Topper Corporation appearing elsewhere herein.

	Predecessor Company (a)		Topper Corporation (a)				
	Year Ended December 31, 1965	Nine Months Ended October 3, 1966	Four Months Ended February 4, 1967	Eleven Months Ended December 31, 1967	Year Ended December 31, 1968	1969	1970
	(Unaudited)	(Unaudited)	(Unaudited)				
Net sales:							
Supermarket toys	$ 7,495,619	$ 1,776,540	$ 1,114,964	$ 903,808	$ —	$ —	$ —
Topper toys	50,439,336	17,545,308	10,436,292	29,388,844	35,036,034	53,722,774	63,935,619
	57,934,955	19,321,848	11,551,256	30,292,652	35,036,034	53,722,774	63,935,619
Costs and expenses:							
Cost of goods sold	40,430,692	20,427,697	20,287,514	22,037,697	23,844,996	35,755,020	43,702,271
Selling, general and administrative expenses	4,382,430	2,581,903	3,469,686	3,153,221	3,849,593	4,837,499	4,848,678
Advertising expenses	9,706,107	3,710,541	4,391,596	4,282,849	5,525,248	8,853,986	9,819,960
Interest:							
To former parent company and its affiliates	2,009,806	1,223,440	474,460	589,886	—	—	—
Short-term loans (principally to banks)	—	—	508,200	811,088	676,148	1,239,019	1,545,698
Long-term debt, including amortization of debt discount	—	—	—	—	66,365	320,877	1,091,517
	56,529,035	27,943,581	29,131,456	30,874,741	33,962,350	51,006,401	61,008,124
Income (loss) from continuing toy operations before provision for federal income taxes	1,405,920	(8,621,733)	(17,580,200)	(582,089)	1,073,684	2,716,373	2,927,495
Provision for federal income taxes (c)	—	—	—	—	567,000	1,434,000	1,463,000
Income (loss) from continuing operations	1,405,920	(8,621,733)	(17,580,200)	(582,089)	506,684	1,282,373	1,464,495
Loss from discontinued toiletries operation, net of federal income tax benefits of $848,569 (e)	—	—	—	—	—	—	(876,164)
Income (loss) before extraordinary items	1,405,920	(8,621,733)	(17,580,200)	(582,089)	506,684	1,282,373	588,331
Extraordinary items:							
Provision for loss on disposal of toiletries operations net of federal income tax benefits of $227,795 (e)	—	—	—	—	—	—	(235,204)
Losses on discontinuance of foreign operations	(116,255)	—	(1,026,854)	—	—	—	—
Loss on sale of plant	(202,082)	—	—	—	—	—	—
Unpaid interest on notes to former parent company (b)	—	—	(107,667)	(251,055)	(477,470)	—	—
Tax reduction from loss carryforward (c)	—	—	—	—	567,000	1,434,000	—
	(318,[illegible]	—	(1,134,521)	(251 055)	89,530	1,434,000	(235,204)
Net income (loss)	$ 1,087,5[illegible]	$(8,621,733)	(18,714,721)	(833,144)	596,214	2,716,373	353,127
Dividend requirements on preferred stock			50,000	135,833	150,000	99,000	99,000

		—	[illegible]	[illegible]	[illegible]	—	—
Tax reduction from loss carryforward (c)	—	—	—	—	567,000	1,434,000	—
	(318,	—	(1,134,521)	(251,055)	89,530	1,434,000	(235,204)
Net income (loss)	$ 1,087,5	$(8,621,733)	(18,714,721)	(833,144)	596,214	2,716,373	353,127
Dividend requirements on preferred stock			50,000	135,833	150,000	99,000	99,000
Net income (loss) applicable to common stock			$(18,764,721)	$ (968,977)	$ 446,214	$ 2,617,373	$ 254,127
Average number of shares outstanding as adjusted for stock split			1,500,000	1,500,000	2,061,225	2,310,160	2,678,704
Per share of common stock (d):							
Income (loss) from continuing operations			$(11.75)	$(.48)	$ .18	$ .51	$ .51
Loss from discontinued toiletries operations, net of federal income tax benefits			—	—	—	—	(.33)
Income (loss) before extraordinary items			(11.75)	(.48)	.18	.51	.18
Extraordinary items			(.76)	(.17)	.04	.62	(.09)
Net income (loss)			$(12.51)	$(.65)	$ .22	$1.13	$ .09
Pro forma net income per share (f)							

(All references to periods prior to February 4, 1967 are unaudited.)

(a) The Company commenced operations on October 4, 1966, through the purchase of the assets, except cash and securities, and the assumption of the liabilities of its predecessor company (Deluxe Reading Corporation, a wholly-owned subsidiary of Philadelphia and Reading Corporation) for $22,000,000 in cash and $27,000,000 in notes payable. In general, the current assets and liabilities were recorded at the same values as shown on the books of the seller or prices specified in the contract. Fixed assets, including tooling and leasehold improvements, were valued on the basis of an appraisal and a royalty agreement on the basis of the estimated discounted amount to be received. Initially, the Company had elected a year which ended February 4, 1967 and subsequently changed to a calendar year. Foreign operations discontinued in 1967 were not material in prior periods.

(b) See Note 6 to the consolidated financial statements for a description of the extraordinary items related to interest and forgiveness of debt in the amounts of $19,107,667 in 1967 and $3,091,525 in 1968, which were credited directly to a separate stockholders' equity account. Unpaid interest on such indebtedness is shown as an extraordinary item.

(c) No provision for federal income taxes was required in 1965 since domestic operations resulted in a loss and the earnings of a wholly-owned Puerto Rican subsidiary (which was dissolved in September 1966) were exempt from Puerto Rico and U. S. corporate income taxes.

Provision for federal income taxes for 1968 and 1969 is shown before giving effect to the benefit of the net operating loss carryforward, and such benefit is shown as an extradordinary item.

At December 31, 1970, the Company had a net operating loss carryforward of approximately $7,500,000 of which $5,400,000 expires in 1971 and the balance in 1972. The Internal Revenue Service has begun an examination of the Company's tax returns through 1969. Based on questions raised by the agent with respect to the purchase of the business in 1966 and the subsequent forgiveness of debt, it is possible that the Internal Revenue Service may propose adjustments which could materially reduce the Company's net operating loss carryforward. In the opinion of management, the outcome of the examination will not materially affect the results of operations to December 31, 1970 or the financial position of the Company at that date. Pending the final outcome of the tax examination, the Company has provided for taxes on its 1970 profits even though there will be no tax paid with its 1970 tax return due to the application of its net operating loss carryforward.

(d) Earnings per share have been computed based on the average number of shares of common stock outstanding during the periods. The exercise of outstanding stock options would not materially dilute earnings per share. The Company has never paid a dividend on its common stock.

(e) In 1970 a wholly-owned subsidiary, Youth Care, Incorporated, introduced a line of toiletries that were specifically formulated for and marketed to young girls. It incurred a loss of $876,164 (net of Federal income tax benefits) on net sales of $1,696,136. At year end a decision was made to discontinue the toiletries operations, and a provision was made for disposal losses of $235,204 (net of Federal income tax benefits).

(f) Assuming that the net proceeds from the sale of the shares being offered by the Company by this Prospectus were used to retire the $1,350,000 of 10% subordinated notes and the balance to reduce bank loans as at January 1, 1970, income (loss) per share of common stock for 1970 would have been: income from continuing operations $.51; loss from discontinued toiletries operations, net of federal income tax benefits ($.26); income before extraordinary items $.25; extraordinary items ($.07); and net income $.18.

The toy business is seasonal and consequently the results of operations for any period of less than a year are not comparable to results for other periods.

The reasons for the substantial decline in sales and the very large losses incurred during the thirteen months ended February 4, 1967 include the following:

(1) A major portion of management effort and time during the nine-month period ended October 4, 1966 was devoted to negotiations to purchase the business from the parent company and to arrange for bank loans to finance a portion of the purchase price. As a result, management was precluded from spending as much effort and time on day-to-day basic activities as would otherwise have been the case.

(2) Expenditures of large amounts were made for advertising, selling, administrative and factory expenses on the basis of an expected high level of sales which did not materialize.

(3) A critical shortage of working capital resulted from sharply reduced financing by the parent company during the period of the negotiations referred to in (1) above and from the need for cash to repay the $20,000,000 short-term bank loan made to purchase the business. This resulted in:

(i) the liquidation of large quantities of inventories at substantially reduced and close-out prices; and

(ii) the discontinuance of certain toys which resulted in the scrapping of about $4,000,000 of raw materials and parts, the write-down of finished goods inventory at year-end by about $1,500,000, and the write-off of related unamortized tooling of about $600,000.

(4) As a result, in part, of the disruption of normal marketing created by such large inventory liquidations, customers returned approximately $4,200,000 of toys sold to them under "bill and hold" arrangements in 1965 and allowances were made to customers of $900,000 against sales made in 1965.

(5) A loss of $1,027,000 was sustained upon discontinuance of operations in Canada.

(6) Approximately $1,400,000 was expended for warehouse rent and other related costs to carry the excessively large finished goods inventories which amounted to $12,098,000 at December 31, 1965 as compared with $4,987,000 at February 4, 1967.

(7) A non-recurring charge for the portion of the purchase price ($1,0[illegible]000) allocated to open sales orders acquired from the seller, was absorbed during the four months ended February 4, 1967.

The decline in earnings from 1969 to 1970 was due primarily to the loss incurred in the Company's toiletries operation as described in Note (c) to the Consolidated Statement of Operations. The toiletries operation has been discontinued and provision has been made for a loss on its disposition.

The Company is engaged in a very competitive business and has been required to meet extended dating offered to customers by competitors, thus increasing the Company's needs for and costs of working capital. December 1970 sales included approximately $14,000,000 of shipments, which consisted primarily of spring program merchandise, carrying extended terms of five to eight months, compared to similar sales of approximately $2,000,000 in 1969.

First Quarter Results

Set forth below is information with respect to the unaudited consolidated results of operations of the Company for the quarter ended March 31, 1971, and for the comparable period of the prior year. The figures are unaudited, but management believes that all adjustments (which include only normal recurring accruals) necessary for a fair statement of the results have been included.

	1971(c)	1970(c)
Net sales	$4,900,227	$ 1,979,366 (a)
Loss before federal income tax benefits	$ (765,417)	$(2,047,163) (b)
Net loss	$ (398,016)	$(1,039,959) (b)
Net loss per share of common stock	$ (.14)	$ (.46) (b)

(a) First quarter results for 1970 do not include either sales or losses of the Company's toiletries operation which incurred a loss for the full year 1970 and which was discontinued at the end of the year.

(b) 1970 first quarter results have been adjusted from those previously reported to reflect the allocation of the federal income tax benefits associated with the entire year's operation, which resulted in a profit.

(c) In the preparation of interim financial statements the Company absorbs manufacturing overhead and advertising expenses on the basis of estimated production and sales for the year. Approximately $2,400,000 of such expenses were so deferred at March 31, 1971 compared to approximately $2,200,000 at March 31, 1970.

The increase in net sales and the reduction of the net loss for the first quarter of 1971 as compared with the first quarter of 1970 resulted primarily from the Company's ability to ship low priced merchandise which was not available during the spring of 1970.

Since the Company's business is seasonal, shipments during the last half of each calendar year are customarily greater than shipments during the first half of the year. Consequently the results of operations for the first three months of the year are not indicative of the entire year's operations.

The Company's backlog of unshipped orders as of March 31, 1971 was approximately $34,000,000 compared to approximately $30,000,000 at March 31, 1970. Toys to be manufactured in the Orient represent 34% of the 1971 backlog; such toys represented approximately 31% of the 1970 backlog.

DIVIDENDS

The Company has never paid a dividend on its Common Stock and does not anticipate paying cash dividends on its Common Stock in the forseeable future. The Company intends to follow a policy of retaining all earnings available to the Common Stock to help meet its working capital requirements and to finance the expansion and development of its business.

BUSINESS

History

The Company was incorporated in 1966 as De Luxe Topper Corporation for the purpose of acquiring the operating assets and assuming the liabilities of De Luxe Reading Corporation, a subsidiary of Philadelphia and Reading Corporation. De Luxe Reading Corporation was engaged in the manufacture and marketing of toys. The business originally involved the marketing of toys through supermarkets pursuant to a program, introduced by Henry and Marrius Orenstein in 1953, which permitted retail outlets to return unsold merchandise ordered for sale during the Christmas season. De Luxe Reading Corporation acquired the business from the Orensteins in 1960 and, in 1964, began eliminating its supermarket business; at the same time, it began marketing its products through conventional toy outlets. In October, 1966, toward the end of this period of transition from supermarket to conventional outlets, Henry Orenstein, who was the President of De Luxe Reading Corporation under Philadelphia and Reading Corporation's ownership, joined with Marrius Orenstein and a group of ten other investors (including Gordon H. Johnson, a former director, and Glover Johnson) to repurchase the business from Philadelphia and Reading Corporation. (See CERTAIN TRANSACTIONS—"Financing and Related Transactions" and Notes 6 and 7 to Consolidated Financial Statements.) Unless the context otherwise requires, the term "Philadelphia and Reading", as used herein, refers to Philadelphia and Reading Corporation (now a subsidiary of Northwest Industries, Inc.) and its subsidiary, De Luxe Reading Corporation (now named Extoy Corporation).

Henry and Marrius Orenstein may be deemed to be the founders of the Company. Their cash investments and stock interests in the Company as of its formation in 1966 are tabulated below:

	Cash Investment	Original Stock Interest			
		Number of Shares		% of Class	
		Common (2)	Preferred	Common (1)	Preferred
Henry Orenstein	$115,400	405,000	1,100	27.0%	3.67%
Marrius Orenstein	$375,400	405,000	3,700	27.0	12.33

(1) Does not give effect to a warrant to purchase 20% of the then outstanding Common Stock, held by Philadelphia and Reading. This warrant was subsequently cancelled; in connection therewith, Philadelphia and Reading thereafter purchased for a nominal sum approximately 10% of then outstanding Common Stock. (See CERTAIN TRANSACTIONS—"Financing and Related Transactions".)

(2) All references in the text relating to common shares are after giving effect to the 75-for-1 stock split-up which was effective December 15, 1969.

Products

The Company's products include fashion dolls with clothing outfits and accessories, toy household appliances, dolls, steel trucks, robots and dye cast miniature cars and racing sets. The Company believes that its toys usually retail at estimated prices ranging from $.75 to $20 and that approximately 60% of its net sales in 1970 were of products in the $.75 to $6 retail range and approximately 25% of net sales in 1970 were of products in the $6 to $10 retail range. The Company estimates that more than 95% of its 1970 net sales was derived from items introduced since the end of 1968.

The Company's products, consisting of approximately 225 different items, fall into the principal categories summarized below:

Dawn Fashion Dolls with Clothing Outfits and Accessories

In 1970 the Company introduced *Dawn*, a 6½" fashion doll with clothing and accessories. The *Dawn* line, which was introduced at the 1970 Toy Fair (an industry trade show held annually in New York City during the first calendar quarter), included 4 doll packages, 40 clothing outfits and 8 accessories. The 1971 *Dawn* line includes 19 doll packages, 75 clothing outfits and 16 accessories. *Dawn* is a relatively low-priced line of merchandise which is designed to strengthen the Company's goal to minimize heavy seasonal fluctuations through emphasis on toys which sell on a year-round basis.

Toy Appliances

The Company manufactures a line of girls' toys under the name *Suzy Homemaker.* This line was first introduced in 1966 and has grown to include ovens, popcorn poppers, juicers, washing machines, vanities, blenders, mixers, sweepers, vacuum cleaners, irons, hair dryers, ice cream and candy makers and soda fountains. The chief attraction of these items is that they are functional. For example, cakes can actually be baked in the ovens.

Dolls

The Company manufactures and markets dolls featuring unique mechanical actions. New dolls are developed and introduced annually and are generally marketed for no longer than a few years. Among the better known dolls offered in the past are *Baby Magic, Li'l Miss Fussy, Baby Party, Baby Catch-A-Ball* and *Baby Luv'N Care.* A new doll, *Smartypants,* which is programmed to respond to touch with specific replies, was introduced at the 1971 Toy Fair.

Steel Trucks

The Company introduced, at the 1971 Toy Fair, heavy gauge steel trucks and cars, the *Zoomer Boomers,* which are competitive in quality and price with similar existing items which have long been an industry staple and which are aimed at the 3 to 6 year old boy, a market relatively new to Topper. Unlike competitive items, however, the *Zoomer Boomers* have been designed to operate on a low-priced snap-in motor which is interchangeable among the various *Zoomer Boomer* trucks and cars.

Robots

An entire line of robots, *Ding-A-Lings,* which utilize snap-in, interchangeable motors was introduced at the 1971 Toy Fair. The *Ding-A-Lings* are low-priced items which are expected to sell on a year-round basis. In addition, this line includes sets utilizing track on which the robots can operate. A higher priced robot, the *King Ding* is expected to be more of a seasonal Christmas item.

Die-Cast Miniature Cars and Racing Sets

In 1969 the Company brought out a line of die-cast miniature cars, plastic track sets and accessories under the name *Johnny Lightning.* A low friction wheel bearing enables the cars to roll at fast speeds. In addition to a number of gravity sets, the Company introduced the *Johnny Lightning Rocket Sets.* These sets, which are manually powered and operate without batteries or electricity, consist of a continuous race track. At the 1971 Toy Fair, the Company introduced the "Big Switch" racing sets, which enable the child to create a car racing system similar in concept to model railroading.

Because the Company's product line is comprised of a relatively small number of toy categories, as outlined above, the Company's business could be adversely affected if any continuing category should lose consumer acceptance, or if any newly-introduced category should fail to achieve anticipated consumer acceptance, whether by reason of competitive factors, economic conditions or otherwise.

Marketing

The Company maintains a showroom in New York City in which it displays its various products. The products themselves are marketed by a sales force of approximately 60 persons to national and regional chain stores and through wholesale distributors. No single customer accounts for as much as 10% of total sales.

In recent years the Company has emphasized the introduction of low priced toys designed to sell on a year round basis and marketing programs designed to encourage customers to place early orders and accept early shipments. This approach has to some extent permitted the Company to increase its production and shipments in the early months of the year with a related increase in efficiency. However, shipments during the final half of the year are still greater than those during the first six months.

Company-designed toys are manufactured and marketed abroad by licensees on a royalty basis. To date, royalties from foreign licensees have not been significant in relation to the Company's total revenues.

Television advertising is relied upon heavily by the Company to create consumer demand for its products. Most of the items in the Company's toy line are promoted through television advertising with particular emphasis on individual items introduced in the current year. In 1970 the Company expended approximately $9,800,000 on advertising, the bulk of which was utilized for spot and network television time.

Financing Agreement

Since its organization in 1966, the Company has operated under an agreement, amended from time to time, with a group of banks (the "Financing Agreement"), pursuant to which substantially all of the Company's assets, including accounts receivable, have been pledged to secure advances made by the banks to the Company. The Financing Agreement may be terminated by the Company or the banks on January 31 of each year. All loans thereunder are payable on demand and are made at the discretion of the banks in a maximum available amount (currently not to exceed $18,500,000) determined pursuant to a formula under which the Company's pledged assets have various loan values. Under this formula, accounts receivable have a loan value equal to 80% of the face amount of receivables which the banks deem eligible, net of applicable discounts and such reserves as the banks deem proper. The Company pays interest on borrowings under the Financing Agreement at the rate of 3.105% above the higher of the prime rate or 6%.

It has been customary for the Company to make additional borrowings from two of the lending banks participating in the Financing Agreement and to deposit the funds so borrowed in cash collateral accounts with such banks. The average daily balances in such accounts during each year have approximated 20% of the average daily borrowings from such two banks under the Financing Agreement. The Company pays interest on such borrowings at the rate of 1.15% above the prime rate.

In 1970 the Company's borrowings under the Financing Agreement (exclusive of the borrowings discussed in the previous paragraph) were reduced to $3,256,000 during January, reached a high point of $18,034,000 in August and amounted to $16,318,478 at year-end. The low point of the Company's borrowing under the Financing Agreement during 1971 was $8,956,025 in January. At March 31, 1971 net borrowings under the Company's Financing Agreement amounted to $16,565,948.

Research and Development

Although the Company has in the past established successful lines of products, its business is still largely dependent upon its ability continually to develop new products and to modify or improve existing concepts. It therefore employs approximately 60 persons—designers, artists, model makers and engineers—to design and develop new products. In 1970 the Company spent approximately $1,025,000 on design and development of toys. Although the Company relies primarily upon its own staff for development of new products, it also, from time to time, acquires rights to items from independent inventors and toy designers.

Manufacturing

The Company's principal manufacturing and warehousing facilities are located in Elizabeth, New Jersey. To supplement its own production capabilities and the capacity of its injection molding plant, the Company also buys parts from numerous independent contractors, most of which are located in the New York-New Jersey area.

The Company also imports small dolls and their accessories, small appliances and some components which are manufactured for the Company by foreign contractors, principally in Hong Kong and Japan. In 1970 goods purchased abroad accounted for approximately 41% of total purchases; in 1971 it is anticipated that goods purchased abroad will account for approximately 55% of total purchases. In the past, the operations of the Company have not been adversely affected by international commercial relations or tariffs or by internal affairs in either Hong Kong or Japan. However, no assurances can be given that the Company's business will not be affected thereby in the future.

Assembly operations generally utilize equipment and production line components which can readily be shifted and recombined to facilitate production scheduling. The Company designs its owns jigs and fixtures and virtually all of its molds and dies. Most of these components, however, are actually manufactured for the Company by a number of independent contractors and tool-and-die makers.

Raw materials, including polystyrene, polypropolene, polyethylene, vinyl plastisol, nylon, steel and zinc die-casting alloys, are readily available. Wherever possible, the Company follows a policy of utilizing multiple sources of supply.

Property

The Company's executive offices and principal manufacturing and warehousing facilities are located in Elizabeth, New Jersey and consist of leased properties containing approximately 1,100,000 square feet. Approximately 500,000 square feet are used for production and office space and the balance for warehousing. The Company has exercised an option to renew the lease on these properties for an additional ten years beyond December 31, 1971 at $825,000 a year. In addition, the Company maintains a showroom in New York City under a lease expiring on April 30, 1978. The aggregate lease payments of the Company in 1970 amounted to approximately $800,000. As of December 31, 1970 the book value of the leasehold improvements on the Company's leased premises approximated $750,000. The Company believes that its present facilities are adequate for its planned needs. The Company owns substantially all the equipment used in its manufacturing activities.

Employee Relations

The Company's labor requirements fluctuate substantially depending upon seasonal production needs. In 1970, during the September-November peak production period, the Company employed approximately

1,800 persons, of whom approximately 1,470 were factory employees. During the early months of 1970 the work force reached a low point of approximately 860, of whom approximately 550 were factory employees. Factory employees are represented by a labor union and employed under a labor contract which terminates on January 31, 1973. The Company has never suffered a work stoppage and considers its employee relations to be satisfactory.

Patents, Trademarks, Trade Names and Copyrights

The Company owns, or has applications pending for, a number of United States and foreign patents covering the mechanisms of its products. In addition, the Company owns the trademarks, trade names and copyrights under which most of its products are sold. The Company believes that its patents, trademarks, trade names and copyrights have value. However, the extent of such value cannot be determined and the Company makes no representation that it will be able to sustain the validity of its present patents or copyrights or whether any patents or copyrights will be issued on any pending applications. The Company does not believe that any one patent or group of patents is of such significance that its business would be affected if the same were declared unenforceable.

Recent Developments

Introduction of Sesame Street Line

In March 1971 the Company entered into a royalty agreement with Children's Television Workshop ("CTW"), producer of the children's educational television program "Sesame Street". Pursuant to such agreement the Company, through a wholly-owned subsidiary, will design, develop, manufacture and distribute, under the "Sesame Street" name, various educational playthings including representations of certain of the characters appearing on "Sesame Street". The type, nature and quality of the items produced, as well as marketing and advertising plans, will be subject to the approval of CTW. The agreement remains in effect until December 31, 1974 but includes provisions for subsequent sale of certain items.

Discontinued Operations

In 1970 the Company introduced, through its wholly-owned subsidiary, Youth Care, Incorporated, a line of toiletries under the name *Young 'N Free*. These toiletries were specifically formulated for and marketed to young girls. The Company has announced its plans to discontinue its toiletries operations, which incurred a loss in 1970 of $876,164 (net of Federal income tax benefits). As a result of this decision the Company has also provided for disposal losses of $235,204 (net of Federal income tax benefits).

Child Protection and Toy Safety Act of 1969

The Federal Child Protection and Toy Safety Act of 1969 (the "Act") was adopted for the purpose of protecting children from toys and other articles intended for use by children which are hazardous due to the presence of electrical, mechanical or thermal hazards. Under the Act a toy or other article intended for use by children may, in appropriate proceedings, be determined by the Secretary of Health, Education and Welfare to be a banned hazardous substance and excluded from the market. In addition, the Secretary may exclude, without a hearing, such a toy or other article from the market for a limited period either before or during such proceedings if he finds that its distribution presents an imminent hazard to the public health and safety. The Act also provides for the repurchase (and reimbursement of certain expenses) by the manufacturer of any article or substance which is a banned hazardous substance (whether or not it was such at the time of its sale). If any of the Company's products were found, permanently or temporarily, to be a banned hazardous substance, the Company's operations and financial position could be adversely affected.

Competition

The toy industry is highly competitive. The Company's competitors include both domestic and foreign companies whose products are sold through the same outlets utilized by the Company and which, in most cases, market toys similar to those of the Company. In addition, some of the Company's competitors have larger research staffs, larger marketing capabilities and greater financial resources than the Company. Although reliable industry statistics are not available, the Company believes that it is, in relation to sales, among the ten largest toy companies in the United States.

MANAGEMENT

Officers and Directors

The officers and directors of the Company are:

Name	Office
Henry Orenstein*	President and Director
Marrius Orenstein*	Senior Vice President and Director
Albert N. Hammer*	Executive Vice President and Director
David L. Downs*	Executive Vice President—Corporate Development and Director
Jack J. Rose	Senior Vice President—Finance and Secretary
Peter J. Cassata	Senior Vice President—Manufacturing
Sidney Tepper	Senior Vice President—Engineering
Ronald W. Aaront	Vice President—Market Research
Mason Benson	Vice President—National Account Sales
Anthony P. Francis	Vice President
Melvin H. Levine	Vice President—Manufacturing
Frederick C. Pierce	Vice President—Sales
Julius H. Schwartz	Vice President—Finance and Treasurer
Sanford L. Obolsky	Controller
Roger S. Berlind	Director
Peter Bronfman	Director
Glover Johnson	Director
Sanford I. Weill	Director

* Members of the Executive Committee.

Each of the above executive officers, except Messrs. David L. Downs, Jack J. Rose, Ronald W. Aaront and Julius H. Schwartz, has been employed by the Company or its business predecessor for the past five years.

Mr. Downs was employed by Manufacturers Hanover Trust Company from 1955 to 1969 and was a Vice President from 1967 until he joined the Company in 1969. Messrs. Rose and Schwartz joined the Company in late 1966. Mr. Rose had been Treasurer of Lionel Corporation, an electronics and toy manufacturer, from 1965 to 1966 and had previously been Assistant Treasurer of Parker Pace Corporation, a company involved in diversified investments. Mr. Schwartz had been Lionel Corporation's Chief Accountant from 1965 to 1966 and previously was a Divisional Controller of Hess Oil and Chemical Corporation, a petro-chemical and oil company. Mr. Aaront was employed by Vornado, Inc., a retail and supermarket chain, from 1965 and was Assistant Vice President thereof from 1968 until he joined the Company in 1970.

Messrs. Roger S. Berlind and Sanford I. Weill are Chief Executive Officer and Chairman of the Board, respectively, of CBWL—Hayden, Stone Inc. Mr. Peter Bronfman is President of Edper Investments, Ltd., a family investment corporation. Mr. Glover Johnson is a member of the firm of White & Case.

Remuneration

The following table shows the aggregate direct remuneration paid by the Company and subsidiaries during the year ended December 31, 1970 to (a) each of the three highest paid officers and each director of the Company whose aggregate remuneration exceeded $30,000, and (b) all persons as a group who were officers or directors of the Company at any time during the fiscal year. The table also sets forth the amounts accrued to date for each individual's account under the Company's Profit Sharing Plan.

			Amount Accrued to Date Under Employee's Profit Sharing Plan	
Name of Individual or Identity of Group	Capacities in Which Remuneration Was Received	Aggregate Direct Remuneration	For Year Ended 12/31/70	Aggregate
Henry Orenstein	President	$ 60,000	—	$ 4,861
Albert N. Hammer ..	Executive Vice President and Director	41,398	—	2,752
David L. Downs	Executive Vice President—Corporate Development and Director	41,000	—	—
Peter J. Cassata	Senior Vice President—Manufacturing	44,778	—	2,670
Mason Benson	Vice President—National Account Sales	54,000	—	2,933
All officers and directors as a group (consisting of 21 individuals)		513,766	—	27,853

Effective January 1, 1968, the Company established a qualified "Employee's Profit Sharing Plan" for certain employees, including officers. Pursuant to the Plan the Company contributes to a trust a portion of its net profits in an amount to be determined by the Board of Directors. The amounts contributed are allocated among the participants on the basis of their compensation and are payable upon termination of employment in a lump sum, subject to divestment or reduction under certain conditions. No contribution was accrued for 1970.

Mr. Henry Orenstein entered into an employment agreement with the Company on October 4, 1966 under which he is entitled to receive a minimum annual compensation of $70,000 through December 31, 1972. In addition, Mr. Orenstein is entitled to receive during this period bonus payments of one-half of one per cent of pre-tax earnings in excess of $2,000,000 but less than $4,000,000, one per cent of such earnings in excess of $4,000,000 but less than $6,000,000, one and one-half per cent of such earnings in excess of $6,000,000 but less than $8,000,000 and two per cent of such earnings in excess of $8,000,000.

CERTAIN TRANSACTIONS

Financing and Related Transactions

The operating assets of De Luxe Reading Corporation were acquired by the Company in October, 1966 for an aggregate purchase price of $49,000,000. Of this amount $22,000,000 was cash, $8,000,000 was in the form of a short-term note subordinated to banks and $19,000,000 was in the form of a long-term note subordinated to general creditors. In addition, Philadelphia and Reading received a ten-year warrant to purchase, for a nominal sum, 20% of the Company's Common Stock. From October, 1966 to February, 1971, one or more directors of the Company was an officer of Philadelphia and Reading. The Company had an initial equity capitalization of $3,020,000, resulting from the sale of Preferred Stock ($3,000,000) and Common Stock ($20,000) to the initial investors (see BUSINESS—"History"). In addition, it had borrowed $20,000,000 from banks by pledging substantially all of its assets to obtain the requisite cash portion of the purchase price. During the first few months of its existence, the Company suffered substantial losses and was unable to retire either its bank debt or the $8,000,000 note as scheduled.

In 1967 the Company entered into an arrangement with Philadelphia and Reading, the lending banks and its advertising agency, under which the banks agreed to continue to finance the Company during that year. The arrangement provided for: Henry and Marrius Orenstein to participate in the bank loans on a junior basis to the extent of $500,000 in the aggregate; its advertising agency, Dancer-Fitzgerald-Sample, Inc. (of which Mr. Gordon H. Johnson, at the time a director of the Company, is Chairman of the Board) to receive over a period of nine months $3,022,000 due it from the Company for expenditures for 1966 advertising; and Philadelphia and Reading to agree to a one-year extension of the $8,000,000 note, a five-year moratorium on the $19,000,000 note and, contingent upon the introduction of $2,000,000 of long-term subordinated debt or equity, total forgiveness of the $19,000,000 note. The Orensteins received 6% interest per annum on their junior participations in the bank loans and the balance of the 9.605% interest paid by the Company under the bank financing agreement accrued to the banks as additional compensation for their loans. The Orensteins' junior participation in the bank loans was retired in early 1968.

In late 1967 and early 1968, new financing arrangements were negotiated. The Company arranged $2,220,000 in junior participations in the bank loans, the $8,000,000 note was rescheduled to mature in installments over eight years and the $19,000,000 note, together with accrued interest of $107,667, was forgiven. The junior participants received interest at the rate of 7.65% and, for a nominal consideration, an aggregate of 278,100 shares of Common Stock on the basis of 1,250 shares for each $10,000 of junior participation purchased. The balance of the 9.605% interest paid by the Company under the bank financing agreement accrued to the banks as additional compensation for their loans. In addition, the Company issued to CBWL-Hayden, Stone Inc., for a nominal consideration, 101,475 shares of Common Stock as its fee for arranging this financing and for certain related services of a financial advisory nature. The junior participations were retired in early 1969. Henry and Marrius Orenstein and Roger S. Berlind and Sanford I. Weill, directors of the Company, were parties to the above transaction on the same terms as the other participants. Their individual participations were as follows:

Individual	Amount of Loan Participation	Shares of Common Stock Received
Henry Orenstein	$650,000	81,450
Marrius Orenstein	650,000	81,450
Roger S. Berlind	62,500	7,800
Sanford I. Weill	62,500	7,800

Messrs. Berlind and Weill became directors subsequent to and as a result of their roles in this financing arrangement and have been directors of the Company and have continued to be officers, directors and shareholders of CBWL-Hayden, Stone Inc. since such time.

The $8,000,000 note and accrued interest of $728,525 was renegotiated in July, 1968 and settled in full for $5,500,000. As part of this transaction, the 1966 warrant (see BUSINESS—"History") was cancelled and Philadelphia and Reading made, for a nominal sum, an outright purchase of 10% of the Company's then outstanding Common Stock. The renegotiation of the $8,000,000 note entailed an immediate cash payment of $1,000,000 in July, 1968 and an additional $1,000,000 in September, 1968. To generate these funds, the Company borrowed $1,945,000 from a group of private investors on a secured basis subordinated to the banks. The Company paid the purchasers 7.65% interest on the subordinated notes and, for a nominal consideration, an aggregate of 291,525 shares of Common Stock on the basis of 1,500 shares for each $10,000 of subordinated debt purchased. CBWL-Hayden, Stone Inc. again acted as financial advisor but did not receive a fee from the Company for its role in this financing. The indebtedness so incurred was retired on December 31, 1969. Edper Investments, Ltd., of which Peter Bronfman, a director of the Company, and Edward Bronfman are principal shareholders, and Mason Benson, Anthony Francis, Albert N. Hammer and Sidney Tepper, officers of the Company, were individually parties to this transaction on the same terms as the other participants. Their individual participations were as follows:

Individual	Amount of Subordinated Notes Purchased	Shares of Common Stock Received
Edper Investments, Ltd.	$500,000	74,850
Mason Benson	50,000	7,500
Anthony Francis	20,000	3,000
Albert N. Hammer	75,000	11,250
Sidney Tepper	50,000	7,500

Mr. Peter Bronfman became a director subsequent to and as a result of the participation of Edper Investments, Ltd. in this financing arrangement. Mr. Hammer was elected a director in 1969.

In June, 1969 the Company purchased from Lines Bros. Limited ("Lines Bros."), then the Company's foreign licensee and one of its original investors, all of the Common Stock (255,000 shares) and Preferred Stock (10,200 shares) of the Company then owned by Lines Bros. for an aggregate purchase price of $1,373,400, comprised of $1,023,400 in cash (the original purchase price) and $350,000 paid by cancellation of a royalty due in January, 1970. In connection with such repurchase, the licensing agreement with Lines Bros. was renegotiated. W. Morey Lines, Chairman of the Board of Lines Bros. and a director of the Company from its inception, resigned from the Board of Directors in July, 1969. Waivers were obtained from the holders of the Company's Preferred Stock consenting to such repurchase. (See DESCRIPTION OF CAPITAL STOCK.) In order to obtain the necessary funds to complete this transaction and to raise additional working capital, the Company borrowed $2,079,000 from a group of private investors. The notes, which were unsecured, bore interest at the rate of 8% and matured on June 2, 1970. The Company also paid the participants, as additional consideration and inducement, an aggregate of 51,975 shares of Common Stock on the basis of 250 shares for each $10,000 of debt purchased, and CBWL-Hayden, Stone Inc. was paid $100,000 as a fee for arranging the financing.

To provide additional working capital, the Company, in December, 1969 and January, 1970, borrowed $5,200,000 from a group of private investors. The notes issued in such borrowing are unsecured, subordinated to banks, bear interest at the rate of 10% and were originally issued with a maturity date of June 30, 1971. The Company issued, as additional consideration and inducement, an aggregate of 104,000 shares of its Common Stock to the investors on the basis of 200 shares for each $10,000 of debt purchased and paid CBWL-Hayden, Stone Inc. $130,000 for arranging this financing. Henry and Marrius Orenstein, Sidney Tepper, Edper Investments, Ltd. and profit sharing trusts of CBWL-Hayden, Stone Inc. and Dancer-Fitzgerald-Sample, Inc. were individually parties to this transaction on the same terms as the other participants. Their individual participations were as follows:

Individual	Amount of Notes Purchased	Shares of Common Stock Received
Henry Orenstein	$500,000	10,000
Marrius Orenstein	500,000	10,000
Sidney Tepper	50,000	1,000
Edper Investments, Ltd.	500,000	10,000
The CBWL-Hayden, Stone Inc. Profit Sharing and Savings Plan Trust	200,000	4,000
The Dancer-Fitzgerald-Sample, Inc. Profit Sharing Trust	250,000	5,000

Recent Offerings

The Company and certain shareholders of the Company on June 3, 1970 offered to the public through underwriters 440,000 shares of the Common Stock of the Company at a public offering price of $5.00 a share (the "Underwritten Offering"). CBWL-Hayden, Stone Inc. acted as representative of the underwriters in such offering. Underwriting discounts and commissions in such offering aggregated $165,000, the major portion of which was received by CBWL-Hayden, Stone Inc.

The Company also sold at that time (the "Employee Offering") 185,800 shares of its Common Stock to 11 officers (i.e., all those listed in the table under MANAGEMENT—"Officers and Directors", other than Henry Orenstein, Marrius Orenstein and Mason Benson) and approximately 115 other employees of the Company. Such shares were sold directly to such individuals for a price of $4.625 per share. Fourteen individuals to whom such shares were sold financed the purchase of such shares through borrowings from Manufacturers Hanover Trust Company of New York, New York and Fidelity Union Trust Company of

Newark, New Jersey, which loans were guaranteed in part by the Company. In each case, the purchasing employee paid out of his own funds at least 10% of the purchase price. These borrowings are not subject to Regulations G or U of the Federal Reserve Board, and neither the lending banks nor the Company has the ability to call for additional collateral in the event that the value of the shares pledged as security for such borrowings should fall below the then current margin requirement. Accordingly, the Company would not be able to resort to any collateral other than the shares of Common Stock initially pledged should it be required to make payments to the banks pursuant to its guaranty. Among the loans guaranteed by the Company were bank loans in the amount of $82,500 each to Messrs. Hammer, Downs, Rose and Aaront, officers of the Company, to finance their purchases of shares being so offered. The aggregate amount with respect to which the Company was contingently liable at December 31, 1970 under such guarantees was approximately $450,000.

The net proceeds received by the Company from its sale of shares in the Underwritten Offering (approximately $1,700,000 after deducting expenses), together with the net proceeds from the sale of shares pursuant to the Employee Offering (approximately $830,000), were applied to the payment of start-up costs of approximately $500,000 incurred in connection with the commencement of marketing of the Company's line of toiletries (see BUSINESS—"Recent Developments"), and the payment of $2,079,000 principal amount of the Company's 8% Notes. The Company received none of the proceeds from the sale of the shares offered to the public through Underwriters by selling shareholders pursuant to the Underwritten Offering.

Pursuant to contractual registration rights the Company filed a Registration Statement pursuant to which certain shareholders of the Company could sell an aggregate of 419,600 shares of Common Stock of which a maximum of 86,950 shares remained unsold as of March 1, 1971. Such Registration Statement became effective on August 21, 1970 and the remaining shares of Common Stock covered thereby may be sold from time to time for a period of at least nine months beginning on said date in the over-the-counter market or otherwise.

Pursuant to its Registration Statement which became effective August 21, 1970, the Company offered 104,000 shares of its Common Stock to the holders of its 10% Subordinated Notes due June 30, 1971 in order to induce such Noteholders to extend the maturity date of the Subordinated Notes to January 31, 1972. Each holder of a Subordinated Note agreeing to such extension received twenty shares of Common Stock for each $1,000 principal amount of Subordinated Notes held by him. No cash payment by the Noteholder was required and the Company received no consideration for such Common Stock other than the extension of the maturity date of such indebtedness. At the time of termination on November 20, 1970 the offer had been accepted by the holders of an aggregate of $3,850,000 principal amount of Subordinated Notes and resulted in the delivery by the Company of 77,000 shares of Common Stock. Each of the persons listed in the table on page 19 of this Prospectus agreed to the extension of the maturity of the Subordinated Notes held by him.

As compensation for its assistance in arranging for the extension of the maturity date of the Subordinated Notes, CBWL-Hayden, Stone Inc. received $11.54 for each $1,000 principal amount of Subordinated Notes so extended, or an aggregate of $44,423.

The shares of Common Stock received in connection with such extension of indebtedness may be resold pursuant to such Registration Statement.

Other Transactions

Information is given under "Financing and Related Transactions" above with respect to certain transactions with Lines Bros. Limited, of which W. Morey Lines, a director of the Company until July 1969, is Chairman of the Board. Lines Bros. Limited is a publicly held toy manufacturer based in the United Kingdom; its shares are listed on the London Stock Exchange. During the period in which Mr. Lines was a director of the Company an agreement was entered into providing for the purchase from the Company's Canadian subsidiary, by the Canadian subsidiary of Lines Bros. Limited, of certain manufacturing equipment, inventories of toys and parts, customer lists and other assets related to the conduct of business by the Company's subsidiary in Canada. The purchase price, aggregating $464,824, was comprised of the net book value of the equipment paid at the closing and further amounts paid over a period of time as inventory was sold or used. At the same time, the Company and its Canadian subsidiary entered into a License Agreement with Lines Bros. (Canada) Ltd., the purchaser of the Company's Canadian business as described above, granting to said corporation the exclusive right to manufacture, distribute and sell in Canada toy products developed by the Company. Royalties paid under said License Agreement during the period from January 1, 1968 through December 31, 1970 aggregated $95,433. Such License Agreement, which was originally to expire on December 31, 1972, was terminated in February, 1971 by mutual consent. In addition, during the period from January 1, 1968 through July 31, 1969, the Company received $225,080 for purchases made from the Company by Lines Bros. Limited and its subsidiaries, and $45,325 from Lines Bros. Limited and its subsidiaries as fees and commissions related to purchase of goods in the Far East for such companies. In each instance, the prices paid by Lines Bros. Limited were, the Company believes, comparable to prices it would have received from an unrelated party and, where goods and services were involved, were in accordance with the prevailing prices at the time of the respective transactions.

Dancer-Fitzgerald-Sample, Inc., of which Mr. Gordon H. Johnson, a former director of the Company, is Chairman of the Board, has acted as the Company's advertising agency since the Company's organization in 1966. All of the outstanding capital stock of such agency is owned by employees. Its board of directors is comprised of Clifford L. Fitzgerald, Gordon H. Johnson, Stuart B. Upson, Fred T Leighty, A. W. Spence and William F. Maughan, all of whom are full-time executives of the agency. During the period from January 1, 1968 to April 30, 1970, the Company paid to Dancer-Fitzgerald-Sample, Inc. $1,693,067 in fees and commissions. Mr. Johnson ceased to be a director of the Company in April, 1970. The Company believes that the fees and commissions paid to Dancer-Fitzgerald-Sample, Inc. were consistent with prevailing fees and commissions.

Mr. Ronald D. Saypol, President of Lionel Corporation, resigned as a director of the Company in January, 1970. A subsidiary of Lionel Corporation, acquired by it in 1969, purchased $667,720 of the Company's products from the time of such acquisition to the time of Mr. Saypol's resignation as a director of the Company.

The law firm of White & Case, of which Mr. Glover Johnson, a director of the Company, is a member, ~~received~~ legal fees from the Company during the three years ended December 31, 1970 aggregating $180,625. Mr. Joseph Hinsey, a member of the firm of White & Case, was a director of the Company from October, 1966 to January, 1970.

STOCK OPTION PLANS

The Company has adopted a stock option plan (the "Plan") under which 150,000 shares of Common Stock were initially reserved for issuance to key employees. The Plan was approved by the stockholders on November 10, 1969 and terminates on April 22, 1979. It is administered by a Stock Option Committee appointed by the Board of Directors. Members of the Committee are not eligible to receive an option under the Plan while serving thereon. The Plan and all options granted thereunder are designed to satisfy the requirements set forth in Section 422 of the Internal Revenue Code with respect to "Qualified Stock Options".

No option may be issued to any employee of the Company who owns or would own upon immediate exercise of such options more than 5% of the total combined voting power of all classes of stock of the Company. The exercise price of each option must be at least 100% of the fair market value on the date of grant. Options are exercisable on a cumulative basis. Initially, no more than 25% of the number of shares covered may be exercised and, thereafter, the balance may be exercised in three equal annual installments on succeeding anniversaries of the date of grant. In addition, no option may be exercised while an outstanding option previously granted to the same Optionee and exercisable at a higher price remains unexercised. Except under certain conditions any option exercisable under the Plan may be exercised for a period of three months following termination of employment. Options granted under the Plan are not transferable except by will or under the laws of descent and distribution.

At the time the current Plan was adopted, a previous "Qualified Stock Option Plan" was terminated except as to outstanding options to purchase 56,250 shares of Common Stock at $1.33⅓ per share which had been granted to eight of the Company's key employees in May, 1967 and August, 1968.

The following table sets forth information as of April 1, 1971 concerning options under the plans held by each director, and each of the three highest paid officers whose aggregate direct remuneration during the year ended December 31, 1970 exceeded $30,000, all officers and directors as a group and all other employees.

Name or Identity of Group	Number of Shares Subject to Options	Exercise Price Per Share	Expiration Date of Options
Albert N. Hammer	11,250	$4.00	April, 1974
David L. Downs	37,500	4.00	April, 1974
Peter J. Cassata	7,500	4.00	April, 1974
Mason Benson	7,500*	1.33⅓	May, 1972
	1,875	4.00	April, 1974
All Officers and Directors as a Group	7,500*	1.33⅓	May, 1972
	7,500	1.33⅓	August, 1973
	71,538	4.00	April, 1974
	5,850	4.00	September, 1974
	5,000	6.00	January, 1975
All other Employees	3,750	1.33⅓	August, 1973
	3,750	4.00	April, 1974
	20,438	4.00	September, 1974
	4,000	6.00	November, 1974
	1,000	6.00	April, 1975
	5,000	4.25	September, 1975
	3,500	7.75	February, 1976

*In May, 1970, the terms of this option were modified so as to accelerate the time when initially exercisable.

With the exception of 5,000 shares granted in September, 1970 at market value, there had been no market for the Company's Common Stock at the time of the granting of any of the aforesaid options.

However, in each instance, the Board of Directors determined that the option price was at least 100% of the fair market value of the Common Stock at the time of the grant. On April 28, 1971, the high and low bid prices of the Common Stock of the Company in the over-the-counter market were 10⅞ and 10¾, respectively.

PRINCIPAL SHAREHOLDERS

The following table sets forth, as of March 1, 1971, the record and beneficial ownership of the Common and Preferred Stock of the Company by all persons owning more than 10% of either class of stock and by the officers and directors as a group:

Name and Address	Type of Ownership	Number of Shares Owned		% of Class	
		Common	Preferred	Common	Preferred
Henry Orenstein .... 136 Lakeside Avenue Verona, N. J.	Beneficially and of Record	414,000(1)	1,100	13.7	5.6
Marrius Orenstein .... 162-01 Powell's Cove Blvd Beechhurst, L. I., N. Y.	Beneficially and of Record	384,200	3,700	12.7	18.7
All directors and officers as a group	Beneficially	1,137,213(2)	6,600	37.6	33.3

(1) Excludes 36,450 shares held by others, as custodians for his minor children, in which he disclaims beneficial ownership.

(2) In addition (i) an aggregate of 81,450 shares, including the shares referred to in Note 1, is owned by members of the immediate families of certain officers and directors in which, in the case of each such individual, he disclaims beneficial ownership, and (ii) a corporation, of which a former director is Chairman of the Board and a shareholder, owns 195,000 shares of Common Stock and 7,800 shares of Preferred Stock.

Messrs. Henry and Marrius Orenstein, who may be deemed to be "parents" of the Company as such term is defined under the Securities Act of 1933 and the rules and regulations promulgated thereunder, have entered into an agreement providing for Henry Orenstein's right to purchase the shares of Common Stock owned by Marrius Orenstein during the latter's lifetime or upon his death and, in connection therewith, granting Henry Orenstein the right to vote such shares.

DESCRIPTION OF CAPITAL STOCK

The Company has two classes of authorized capital stock consisting of 5% Cumulative Preferred Stock and Common Stock. The following statements are brief outlines of the provisions of these two classes and do not purport to be complete. Such statements are subject to the provisions set forth in the Restated Certificate of Incorporation, a copy of which is filed as an exhibit to the Registration Statement.

5% Cumulative Preferred Stock

The Company is authorized to issue 30,000 shares of 5% Cumulative Preferred Stock. At March 31, 1971 there were 19,800 shares outstanding. The Preferred Shareholders are entitled to receive out of funds legally available for that purpose, when and as declared by the Board of Directors, cumulative preferential dividends of $5.00 per share per annum. In the event of liquidation, the Preferred Shareholders are entitled to receive, prior to any distribution or payment to Common Shareholders, $100 per share plus accrued dividends. Commencing in March, 1970, the Company must annually set aside in a Sinking Fund 10% of its consolidated earnings, after taxes, for the preceding fiscal year for the redemption of the Preferred Stock. The determination of such sum shall be made by the Board of Directors and its action with respect thereto shall be conclusive for all concerned. The par value of shares acquired in the open market or otherwise than through operation of the Sinking Fund within the preceding twelve-month period may be credited against this annual Sinking Fund requirement. The March, 1970 sinking fund requirement, in the amount of $128,237, as determined by the Board of Directors, was satisfied by a credit against the amount due of treasury shares acquired during the preceding twelve-month period. The 1971 sinking fund requirement in the amount of $35,313, was paid prior to April 1, 1971. The Company may, upon thirty days written notice, redeem the Preferred Stock at any time, in whole or in part, for $100 per share plus accrued dividends. Except as otherwise required by law, the Preferred Stock shall carry no voting rights. In addition, dividends, other than stock dividends, may not be paid on the Common Stock, and Common Stock may not be repurchased or redeemed, if there is an arrearage of dividends on the Preferred Stock or if the Company is in default under the Preferred Stock Sinking Fund requirement.

In February, 1971 the Company paid an annual dividend of $99,000 on Preferred Stock applicable to 1970.

Common Stock

Subject to the prior rights of the holders of any outstanding shares of Preferred Stock, the holders of the Company's Common Stock are entitled to receive dividends as may be declared by the Board of Directors out of any funds of the Company legally available therefor. Each shareholder is entitled to one vote for each share of Common Stock held by him. Upon liquidation, dissolution or winding up of the Company, the assets legally available for distribution to shareholders after the payment of creditors and Preferred Shareholders are to be distributed among the holders of the Common Stock. The Common Stock has no preemptive, conversion or subscription rights and is not subject to redemption. All shares of Common Stock outstanding are, and the shares offered hereby by the Company, when issued and paid for, will be, validly issued, fully paid and non-assessable.

Since the Common Stock does not have cumulative voting rights, the holders of more than 50% of the shares can elect all the directors, if they so choose, and, in such event, the holders of the remaining shares cannot elect any directors.

Reports to Shareholders

The Company furnishes its shareholders with annual reports containing financial statements certified by independent public accountants and such other reports from time to time as it deems appropriate.

Transfer Agent and Registrar

The Transfer Agents for the Common Stock are Manufacturers Hanover Trust Company, New York, New York and United States Corporation Company of New Jersey, Jersey City, New Jersey and the Registrar is First National City Bank, New York, New York.

SELLING SHAREHOLDERS

The Selling Shareholders, the number of shares of Common Stock owned by each of them, the number of shares to be sold by each to the Underwriters, and the number of shares to be owned after the offering, are as follows:

Name	Shares Owned as of March 18, 1971	Shares to be Sold	Shares to be Owned After Sale
The Aeroflex Foundation	6,225	6,225	
John J. Dunn, Jr.	750	750	
Edper Investments, Ltd. (1)	94,850	50,000	44,850
HDB Foundation	6,000	6,000	
William E. Johnson	103,675	8,675	95,000
Meshulam Riklis	12,825	12,825	
Chaim Silberstein	6,000	3,000	3,000
Rose Torren	3,000	3,000	
Toy Associates	1,000	1,000	
TOTAL	234,325	91,475	142,850

(1) Peter Bronfman, a director of the Company, is a principal stockholder of Edper Investments, Ltd.

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UNDERWRITING

The Underwriters named below have severally agreed, subject to the terms and conditions of the Underwriting Agreement, to purchase from the Company and the Selling Shareholders the respective numbers of shares of Common Stock set forth opposite their respective names:

Underwriter	Number of Shares
CBWL—Hayden, Stone Inc.	238,000
Bear, Stearns & Co.	18,000
Clark, Dodge & Co. Incorporated	18,000
Dominick & Dominick, Incorporated	18,000
E. F. Hutton & Company Inc.	18,000
W. E. Hutton & Co.	18,000
Ladenburg, Thalmann & Co.	18,000
R. W. Pressprich & Co. Incorporated	18,000
Shields & Company Incorporated	18,000
G. H. Walker & Co. Incorporated	18,000
Thomson & McKinnon Auchincloss Inc.	18,000
Estabrook & Co., Inc.	11,000
Faulkner, Dawkins & Sullivan Securities Inc.	11,000
Laird Incorporated	11,000
New York Securities Co. Incorporated	11,000
Oppenheimer & Co.	11,000
Piper, Jaffray & Hopwood Incorporated	11,000
C. E. Unterberg, Towbin Co.	11,000
Ball, Burge & Kraus	7,000
Bateman Eichler, Hill Richards, Incorporated	7,000
Boettcher and Company	7,000
Butcher & Sherrerd	7,000
The Chicago Corporation	7,000
Crowell, Weedon & Co.	7,000
Dain, Kalman & Quail, Incorporated	7,000
Eppler, Guerin & Turner, Inc.	7,000
First of Michigan Corporation	7,000
First Mid America Corporation	7,000
Halle & Stieglitz, Inc.	7,000
Interstate Securities Corporation	7,000
Johnston, Lemon & Co.	7,000
Kohlmeyer & Co.	7,000
Newhard, Cook & Co.	7,000

Underwriter	Number of Shares
Rauscher Pierce Securities Corporation	7,000
Reinholdt & Gardner	7,000
The Robinson-Humphrey Company Inc.	7,000
Rotan, Mosle-Dallas Union Inc.	7,000
Singer, Deane & Scribner	7,000
Steiner, Rouse & Co., Inc.	7,000
Sutro & Co. Incorporated	7,000
Wheat & Co., Inc.	7,000
Arthurs, Lestrange & Short	6,000
Birr, Wilson & Co., Inc.	6,000
Edwards & Hanly	6,000
First Manhattan Co.	6,000
Herzfeld & Stern	6,000
Parker/Hunter Incorporated	6,000
Raffensperger, Hughes & Co., Inc.	6,000
Russ & Company, Incorporated	6,000
Weis, Voisin & Co., Inc.	6,000
Agio Capital Corporation	5,000
Faherty & Swartwood Inc.	5,000
Frederick & Co.	5,000
Herron Northwest Incorporated	5,000
Mason-Hagan, Inc.	5,000
J. N. Russell, Inc.	5,000
Stix & Co. Inc.	5,000
Zuckerman, Smith & Co.	5,000
Total	750,000

The Underwriters are obligated to purchase all of the shares offered hereby if they purchase any of such shares.

Through the Representative, the several Underwriters have advised the Company that they propose to offer the Common Stock to the public at the public offering price set forth on the cover page of this Prospectus, and that the Underwriters may allow concessions of not in excess of 45¢ per share to certain members of the National Association of Securities Dealers, Inc., of which not in excess of 25¢ per share may be re-allowed to other dealers. After the initial public offering, the public offering price and the concessions and discounts to dealers may be changed. The Underwriting Agreement provides for reciprocal indemnification between the Company and the Selling Shareholders, on the one hand, and the Underwriters, on the other, against certain liabilities, including certain liabilities arising under the Securities Act of 1933, as amended.

The holders of a minimum of 64,250 shares of Common Stock covered by the August 21, 1970 registration statement referred to herein (see INTRODUCTORY STATEMENT—"Risks Involved in the Offering") have agreed to make no offering, sale or other disposition of their shares for a period of 120 days after the effective date of this Prospectus without the prior written consent of the Representative of the Underwriters.

LITIGATION

The Company is or has been a party to several patent infringement, trademark and copyright suits and other miscellaneous cases arising from the conduct of its business, all of which the Company considers routine. None of these suits is or has been of such character that a determination adverse to the Company would materially affect its business.

LEGAL OPINIONS

Legal matters in connection with the Common Stock offered hereby are being passed upon for the Company and the Selling Shareholders by Messrs. White & Case, 14 Wall Street, New York, New York and for the underwriters by Messrs. Willkie Farr & Gallagher, One Chase Manhattan Plaza, New York, New York. Mr. Glover Johnson, a director of the Company, is a member of the firm of White & Case. Mr. Johnson and members of his family beneficially own, directly or indirectly, 1,800 shares of Preferred Stock and 45,000 shares of Common Stock of the Company.

EXPERTS

The consolidated balance sheet of the Company at December 31, 1970 and the related consolidated statements of operations and earned surplus and capital surplus for the three years and eleven months then ended and the source and application of funds for the three years then ended have been examined by Arthur Young & Company, certified public accountants, as set forth in their report appearing elsewhere in this Prospectus and are included herein and in the Registration Statement in reliance upon such report and upon the authority of such firm as experts.

FURTHER INFORMATION

This Prospectus omits certain of the information contained in the Registration Statement on file with the Securities and Exchange Commission pursuant to the Rules and Regulations of the Commission. The information so omitted may be obtained from the principal offices of the Commission in Washington, D. C. upon payment of the fee prescribed by the Commission or examined there without charge.

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

The Board of Directors
Topper Corporation

We have examined the accompanying consolidated balance sheet of Topper Corporation at December 31, 1970 and the related consolidated statements of operations, earned surplus and capital surplus for the three years and eleven months then ended and the consolidated statement of source and application of funds for the three years ended December 31, 1970. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the statements mentioned above present fairly the consolidated financial position of Topper Corporation at December 31, 1970, the consolidated results of operations for the three years and eleven months then ended and the source and application of its consolidated funds for the three years then ended, in conformity with generally accepted accounting principles applied on a consistent basis during the period.

ARTHUR YOUNG & COMPANY

New York, N. Y.
February 23, 1971

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TOPPER CORPORATION

CONSOLIDATED BALANCE SHEET

December 31, 1970

ASSETS (Note 2)

CURRENT ASSETS:		
Cash, including $3,500,000 held as collateral for bank loans		$ 3,829,804
Accounts receivable, less allowance of $569,556 for uncollectible accounts (Note 3)		30,521,677
Inventories (Note 4)		6,631,482
Prepaid expenses:		
Advertising	$ 889,541	
Insurance and other	180,060	1,069,601
Total current assets		42,052,564
FIXED ASSETS, at cost (Note 5):		
Machinery and equipment	4,546,534	
Leasehold improvements	2,174,980	
Tooling	10,862,239	
	17,583,753	
Less accumulated depreciation and amortization	10,063,697	7,520,056
DEFERRED CHARGES:		
Unamortized debt discount and expense	433,506	
Other	36,151	469,657
		$50,042,277

See accompanying notes.

TOPPER CORPORATION

CONSOLIDATED BALANCE SHEET

December 31, 1970

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:		
Bank loans (Note 2)		$19,818,478
10% subordinated notes due June 30, 1971		1,350,000
Accounts payable		12,181,853
Accrued expenses:		
Salaries and wages	$ 161,388	
Interest	420,106	
Taxes other than income	263,889	
Other	455,493	1,300,876
Total current liabilities		34,651,207
LONG-TERM LIABILITIES:		
10% subordinated notes, due January 31, 1972	3,850,000	
Installment notes payable	106,771	
Federal income taxes (Note 11)	386,636	4,343,407
COMMITMENTS AND CONTINGENCIES (Notes 9 and 10)		
STOCKHOLDERS' EQUITY (Notes 6, 7 and 8):		
5% cumulative preferred stock, par value $100:		
Authorized and issued 30,000 shares including 10,200 shares in treasury	3,000,000	
Common stock, par value $1:		
Authorized 5,000,000 shares		
Issued 3,078,574 shares including 50,600 shares in treasury	3,078,574	
Capital surplus	3,310,554	
Earned surplus since January 1, 1969	2,748,575	
	12,137,703	
Less treasury stock, at cost:		
Preferred stock	1,020,000	
Common stock	70,040	11,047,663
		$50,042,277

See accompanying notes.

TOPPER CORPORATION

CONSOLIDATED STATEMENT OF EARNED SURPLUS AND CAPITAL SURPLUS

Three Years and Eleven Months Ended December 31, 1970

	Earned Surplus (Deficit)	Surplus Arising from Forgiveness of Debt	Capital Surplus
Balance at February 4, 1967	$(18,714,721)	$ —	$ —
Net loss for the period February 5, 1967 to December 31, 1967	(833,144)		
Forgiveness of debt (Note 6)		19,107,667	
Balance at December 31, 1967	(19,547,865)	19,107,667	—
Net income for the year ended December 31, 1968	596,214		
Forgiveness of debt (Note 6)		3,091,525	
	(18,951,651)	22,199,192	—
Transfer to capital surplus (Note 6)	18,951,651	(22,199,192)	3,247,541
Balance at December 31, 1968	—	—	3,247,541
Net income for the year ended December 31, 1969	2,716,373		
Dividend declared on preferred stock (Note 7)	(221,925)		
Par value of shares issued in connection with stock split (Note 7)			(2,431,344)
Excess of assigned value over par value of common stock issued in connection with financing agreements (Note 7)			391,207
Proceeds in excess of par value of common stock sold under stock options (Note 8)			6,975
Balance at December 31, 1969	2,494,448	—	1,214,379
Net income for the year ended December 31, 1970	353,127		
Dividend declared on preferred stock (Note 7)	(99,000)		
Proceeds in excess of par value of common stock sold (Note 7) less $219,573 of related expenses			1,858,416
Excess of assigned value over par value or cost of common stock issued in connection with financing agreements (Note 7)			190,962
Proceeds in excess of par value of common stock sold under stock options (Note 8)			46,797
Balance at December 31, 1970	$ 2,748,575	$ —	$ 3,310,554

See accompanying notes.

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TOPPER CORPORATION

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

	Years Ended December 31,		
	1968	1969	1970
Source of funds:			
Current operations:			
Net income	$ 596,214	$ 2,716,373	$ 353,127
Charges against income not involving the use of funds in the current period:			
Depreciation and amortization of fixed assets	3,116,497	4,250,634	5,741,463
Federal income taxes	—	—	386,636
Amortization of debt discount and expense	--	169,650	494,197
Loss on sale of fixed assets	4,409	—	36,304
Amortization of new product development	—	—	168,753
Unpaid interest forgiven on notes to former parent company	477,470	—	—
Other	—	51,120	20,032
Total from operations	4,194,590	7,187,777	7,200,512
Proceeds of common stock sold	—	—	2,494,377
Issuance of long-term debt	1,945,000	3,675,000	706,771
Proceeds from exercise of stock options	—	9,300	95,396
Reduction of royalty and other receivables due after one year	300,000	—	—
Other	156,175	46,862	89,858
	6,595,765	10,918,939	10,586,914
Application of funds:			
Purchase of fixed assets	2,145,943	5,140,433	4,831,835
Purchase of treasury stock	—	1,023,400	—
Reduction in long-term debt	—	1,020,000	1,350,000
Increase in deferred debt discount and expense	--	215,000	88,842
Other increases in deferred charges	—	230,441	19,220
Settlement of promissory note payable to former parent company	5,500,000	—	—
Preferred dividends	—	221,925	99,000
	7,645,943	7,851,199	6,388,897
Increase (decrease) in working capital	(1,050,178)	3,067,740	4,198,017
Working capital at beginning of year	1,185,778	135,600	3,203,340
Working capital at end of year	$ 135,600	$ 3,203,340	$ 7,401,357
Change in components of working capital:			
Increase in current assets:			
Cash	$ 835,233	$ 990,778	$ 1,321,783
Receivables, net	414,446	8,262,817	13,214,967
Inventories	791,338	2,453,304	65,554
Prepaid expenses	99,782	474,104	409,226
	2,140,799	12,181,003	15,011,530
(Increase) decrease in current liabilities:			
Bank loans	719,892	(6,608,229)	(5,588,741)
Accounts payable and accrued liabilities	(3,910,869)	(204,109)	(6,175,697)
Current maturities of long-term debt	—	(2,079,000)	729,000
Dividends payable	—	(221,925)	221,925
	(3,190,977)	(9,113,263)	(10,813,513)
Increase (decrease) in working capital during year	$(1,050,178)	$ 3,067,740	$ 4,198,017

See accompanying Notes to the Consolidated Financial Statements and Notes to the Consolidated Statement of Operations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1—PRINCIPLES OF CONSOLIDATION:

The consolidated financial statements include Topper Corporation (the Company) and its wholly-owned domestic subsidiaries. A wholly-owned Hong Kong subsidiary, whose operations are not significant, has not been consolidated.

All intercompany balances, investments and transactions have been eliminated.

The excess of the Company's cost over its equity in the net assets of subsidiaries is $1,105,661 and has been charged to consolidated retained earnings. See Note (e) to the Consolidated Statement of Operations.

NOTE 2—BANK LOAN:

The Company's financing agreement with banks provides for maximum working capital borrowings of $18,500,000 of which $16,318,478 was outstanding at December 31, 1970 in the form of demand notes at an interest rate of 3.105% per annum above the higher of the prime rate or 6%. The Company has had related loans from two of the banks (customarily 20% of the amount borrowed under the financing agreement). The interest on these loans is at 1.15% above the prime rate. This cash, held by the banks as collateral, amounted to $3,500,000 at December 31, 1970. (See BUSINESS—"Financing Agreement".)

In addition, the lending banks hold a security interest in all present and future accounts receivable, inventory and fixed assets including tooling, etc.

NOTE 3—ACCOUNTS RECEIVABLE:

Approximately $14,000,000 of sales made in December 1970 carried extended credit terms of five to eight months. The comparable amount for the prior year was $2,000,000.

NOTE 4—INVENTORIES:

Inventories are valued at the lower of cost (principally on the first-in, first-out basis) or market. Market is determined on the basis of the Company's anticipated selling prices, less estimated selling expenses. Inventories used in the determination of cost of goods sold for the three years ended December 31, 1970 were as follows:

	Finished Goods And Work In Process	Raw Materials And Supplies	Total
December 31, 1967	$1,778,659	$1,542,627	$3,321,286
December 31, 1968	2,674,138	1,438,486	4,112,624
December 31, 1969	3,310,202	3,255,726	6,565,928
December 31, 1970	3,947,065	2,681,417	6,631,482

It is not practicable, under the Company's accounting system, to segregate work in process from finished goods and supplies from raw materials.

NOTE 5—FIXED ASSETS:

Machinery and equipment are depreciated on a straight-line basis over their estimated useful lives, varying from three to twelve years, and leasehold improvements are amortized over the life of the applicable leases.

Tooling purchased at October 4, 1966 ($7,233,000) is amortized on a straight-line method over a five-year period. Tooling acquired subsequent to October 4, 1966 is amortized on a straight-line method over two years. Tooling for toys not to be manufactured after the initial year is fully amortized in the first year.

Cost of maintenance and repairs and minor replacements of properties are charged to expense when incurred. Major replacements or betterments of properties are capitalized. When property is sold or otherwise disposed of, the asset value and accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in income.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Note 6—Forgiveness of Debt:

In connection with the purchase of the business of the predecessor corporation, the Company issued two notes in the amounts of $19,000,000 and $8,000,000, respectively. Total principal and interest payments made on these notes amounted to $6,564,346. The balance of $22,199,192 of principal and related interest accrued thereon, after deduction of $137,000 of related expenses, was forgiven in 1967 and 1968, and was credited to "surplus arising from forgiveness of debt". (See Certain Transactions.)

In December 1968, the Board of Directors authorized the combining of the accumulated deficit of $18,951,651 and the "surplus arising from forgiveness of debt" of $22,199,192, and the transfer of the net balance of $3,247,541 to capital surplus.

Note 7—Capital Stock:

The following summarizes the changes in shares of capital stock for the three years ended December 31, 1970, after giving retroactive effect to the 75 for 1 stock split in 1969:

	Common Stock		Preferred Stock	
	Issued	Treasury	Treasury	Issued
Balance, December 31, 1967	1,500,000		30,000	
Issued for cash	767,550			
Balance, December 31, 1968	2,267,550		30,000	
Options exercised	2,325			
Issued in connection with debt	143,975			
Issued for cash to former parent company in connection with settlement of the $8,000,000 notes—(Note 6)	144,675			
Treasury shares acquired		(255,000)		(10,200)
Balance, December 31, 1969	2,558,525	(255,000)	30,000	(10,200)
Issued in connection with debt	12,000	77,000		
Shares sold to public	401,000			
Shares sold to officers and employees	58,400	127,400		
Options exercised	48,599			
Other	50			
Balance, December 31, 1970	3,078,574	(50,600)	30,000	(10,200)

The arrears on the 5% cumulative preferred stock had been paid prior to December 31, 1970.

On January 26, 1971, the Board of Directors declared a dividend of $5.00 per share on the preferred stock, an aggregate of $99,000, which was paid on February 15, 1971.

The Company must annually set aside in a Sinking Fund 10% of its consolidated earnings, after taxes, for the preceding fiscal year for the redemption of the preferred stock. (See Description of Capital Stock.)

Note 8—Stock Options:

At December 31, 1970 there were outstanding options on 139,626 shares of common stock at a total price of $531,554 and options on 15,700 shares of common stock were available for grant.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

NOTE 8—STOCK OPTIONS (Continued)

During 1969, the Company cancelled the balance of the stock options authorized under the original Qualified Stock Option Plan and not granted at April 22, 1969 amounting to 18,750 shares and approved a 1969 Qualified Stock Option Plan expiring after 10 years, under which options on a total of 150,000 shares of common stock may be granted to officers and key employees of the Company. These options are to be granted for a period of five years, at a price not less than 100% of the fair market value of the common stock at the date of grant and are exercisable 25% upon grant and 25% per year thereafter. During 1969, options on 125,400 shares of common stock at $4.00 to $6.00 per share were granted (of which 3,000 shares were cancelled in September, 1970) under the plan for an aggregate of $510,600 and options on 2,325 shares were exercised at $4.00 per share, an aggregate price of $9,300. During 1970, options on 11,900 shares of common stock at $4.25 to $6.00 per share were granted under the plan for an aggregate of $62,650 and options on 48,599 shares were exercised at amounts ranging from $1.33⅓ to $6.00 per share for an aggregate of $95,396. Options granted in 1967 under the former plan become exercisable four years and expire five years from date of grant. In May, 1970 the terms of the options granted in 1967 totalling 45,000 shares were modified to make them currently exercisable; options on 37,500 shares have been exercised for an aggregate of $50,000.

Included above are options on 6,000 shares of common stock which have been granted contingent upon future years' earnings of the Company's wholly-owned subsidiary, Youth Care, Incorporated.

A summary of the outstanding options at December 31, 1970 follows:

Year of Grant	No. of Shares	Option Price Per Share	Option Price Total
1967	7,500	$1.33⅓	$ 10,000
1968	11,250	1.33⅓	15,000
1969	108,976	4.00-6.00	443,904
1970	11,900	4.25-6.00	62,650
	139,626		$531,554

The options outstanding at December 31, 1970 are exercisable with respect to 61,963 shares currently and become exercisable with respect to 31,720 shares in 1971, 42,968 shares in 1972 and 2,975 shares in 1973.

With the exception of options for 5,000 shares granted in September 1970, there had been no market for the Company's stock at the time options were granted. However, management believes that with respect to each option referred to above, the purchase price of the shares covered thereby was at the time of grant not less than the then fair market value. No charges have been made against income in respect of stock options.

NOTE 9—LONG-TERM LEASES:

The Company occupies its manufacturing space and the majority of its office space under a long-term lease that expires December 31, 1981, at an annual rental of approximately $750,000 in 1971 and $825,000 thereafter. In addition, the New York showroom is leased until 1978 at an annual rental of approximately $60,000.

NOTE 10—CONTINGENT LIABILITY:

At December 31, 1970 the Company was contingently liable to banks upon its guarantee of approximately $450,000 for loans made to officers and employees in connection with their purchase of the Company's common stock.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

NOTE 11—FEDERAL INCOME TAXES:

See note (c) to the consolidated statement of operations for information on Federal income taxes.

NOTE 12—SUPPLEMENTARY PROFIT AND LOSS INFORMATION:

	Year Ended December 31,		
	1968	1969	1970
Charged directly to profit and loss:			
Maintenance:			
Cost of goods sold	$ 318,481	$ 433,209	$ 261,257
Other	6,326	5,045	16,535
Totals	$ 324,807	$ 438,254	$ 277,792
Depreciation and amortization:			
Cost of goods sold	$2,977,578	$4,116,386	$5,565,901
Other	138,919	134,248	175,562
Totals	$3,116,497	$4,250,634	$5,741,463
Taxes, other than federal income taxes:			
Payroll	$ 620,120	$ 939,794	$ 755,139
State and local	25,000	200,000	65,810
Real and personal property	62,757	46,211	54,928
Totals	$ 707,877	$1,186,005	$ 875,877
Cost of goods sold	$ 603,123	$ 867,000	$ 653,913
Other	104,754	319,005	221,964
Totals	$ 707,877	$1,186,005	$ 875,877
Rent, including equipment rental:			
Cost of goods sold	$ 858,293	$ 881,851	$ 927,221
Other	205,564	254,291	376,053
Totals	$1,063,857	$1,136,142	$1,303,274
Royalties:			
Cost of goods sold	$ 74,790	$ 27,902	$ 5,096
Other	6,499	1,414	487
Totals	$ 81,289	$ 29,316	$ 5,583

There were no management or service contract fees.

EXHIBIT 2

TOY INDUSTRY STATISTICS

YEAR	MANUFACTURERS' SALES	EXPORTS	IMPORTS
1970	$2,259,000,000	$29,514,094	$592,769,593
1969	2,041,000,000	27,670,604	505,664,475
1968	1,824,000,000	25,446,771	410,231,340
1967	1,560,000,000	25,925,115	315,246,753
1966	1,420,000,000	34,444,851	278,868,195
1965	1,304,000,000	33,453,577	229,346,258
1964	1,213,000,000	22,290,497	201,995,050
1963	1,141,000,000	18,261,934	175,043,566
1962	1,100,000,000	18,298,293	151,126,262
1961	992,000,000	19,632,022	115,430,544
1960	838,000,000	18,128,920	108,410,800
1959	778,000,000	18,086,822	94,631,284
1958	684,000,000	18,618,638	73,410,761
1957	692,000,000	18,038,066	80,985,887
1956	653,000,000	16,799,892	73,693,152
1955	592,000,000	14,327,210	53,047,573

SOURCE: MANUFACTURERS' SALES: Ernst & Ernst Annual Index X 718015666
EXPORTS: Report #FT 410, "U.S. Exports of Domestic Merchandise," Department of Commerce, Bureau of Census.

IMPORTS: Report #125, "U.S. Imports of Merchandise for Consumption," Dept. of Commerce, Bureau of Census. (Data from 1955 to date have been adjusted to include Formal and Informal Entries of $1-$250 for years in which such amounts were excluded from the reported statistics.) The dollar total shown in government reports is increased by an average markup of 2.3125 to make it comparable to domestic producers.

EXHIBIT 3

TOPPER CORPORATION

Projected Income Statement

(000)

Year Ending December 31	1971		1972		1973		1974		1975	
Net Sales	$68,000	100.0%	$78,000	100.0%	$90,000	100.0%	$105,000	100.0%	$120,000	100.0%
Cost of Sales	40,184	59.1	42,831	54.9	48,100	53.4	55,300	52.7	65,700	54.8
Gross Profit	27,816	40.9	35,169	45.1	41,900	46.6	49,700	47.3	54,300	45.2
Operating Expenses										
Depreciations & Amortization	3,100	4.6	2,550	3.3	3,050	3.4	3,575	3.4	3,750	3.1
Selling & Advertising	12,270	18.0	13,000	16.7	14,100	15.7	15,100	14.4	16,150	13.4
General & Administrative	3,562	5.2	3,605	4.6	4,030	4.5	4,455	4.2	4,880	4.1
Interest	2,311	3.4	2,155	2.8	2,155	2.4	1,705	1.6	1,205	1.0
Other	(100)	(.1)	1,500	1.9	2,200	2.4	2,850	2.7	3,600	3.0
	21,143	31.1	22,810	29.2	25,535	28.4	27,685	26.4	29,585	24.7
Normal Profit	6,673	9.8	12,359	15.8	16,365	18.2	22,015	21.0	24,715	20.6
Extraordinary Depreciation & Amortization	1,500	2.2	200	0.3	200	0.2	175	0.2	125	0.1
Pre-Tax Income	5,173	7.6	12,159	15.6	16,165	18.0	21,840	20.8	24,590	20.5
Provision for Taxes	2,483	3.7	5,836	7.5	7,759	8.6	10,483	10.0	11,803	9.8
Net Profit	2,690	4.0	6,323	8.1	8,406	9.3	11,357	10.8	12,787	10.7
Earnings Per Share (1)	.78	(3)	1.71		2.28		3.08		3.47	
Fully Diluted Earnings Per Share (2)	.77	(3)	1.64		2.17		2.91		3.27	

(1)3,689,399 shares outstanding, excluding 50,600 shares of Treasury Stock.

(2)Assuming full conversion of Convertible Debentures at $18 per share, to give 3,967,177 shares outstanding, excluding 50,600 shares of Treasury Stock.

(3)Based on the weighted average of total shares outstanding for 1971.

EXHIBIT 4

TOPPER CORPORATION

Projected Analysis of Cash Receipts and Disbursements
Five Year Period Ending December 31, 1975*

(000 Omitted)

	1971	1972	1973	1974	1975
Receipts:					
Accounts Receivable	$70,672	$74,950	$83,500	$98,500	$111,500
Long Term Debt	4,800	-	-	-	-
Senior Debt	6,900	-	-	-	-
Common Stock Sale	6,200	-	-	-	-
Total Receipts	88,572	74,950	83,500	98,500	111,500
Disbursements:					
Material	31,259	33,500	37,500	43,500	51,500
Labor	2,205	2,500	2,800	3,300	3,800
Overhead	6,720	7,300	8,300	9,000	10,900
Total	40,184	43,300	48,600	55,800	66,200
Tools & Fixed Assets	2,000	2,500	3,000	3,500	4,000
Operating Expenses	14,746	15,575	16,900	18,125	19,400
Notes Payable	1,350	3,850	-	-	-
Interest	2,311	2,155	2,155	1,705	1,205
Dividends on Preferred Stock	97	88	58	21	3
Royalties	250	1,200	2,000	2,500	3,200
Franchise Taxes	100	250	500	700	1,000
Other	-	200	200	400	500
Federal Income Taxes	-	300	9,075	9,200	12,500
Preferred Stock Sinking Fund	35	250	622	832	241
Total Disbursements	61,073	69,668	83,110	92,783	108,249
Net Cash Surplus	27,499	5,282	390	5,717	3,251
Additional Payments Against Accounts Payable	6,016	3,487	845	1,072	206
Loan Repayment	21,483	1,795	(455)	4,645	3,045
Loan Balance - Beginning	16,318	(5,165)	(6,960)	(6,505)	(11,150)
Loan Balance - End	(5,165)	(6,960)	(6,505)	(11,150)	(14,195)
Cash Balance 1/1/71 (net)	330	330	330	330	330
Cash (including Marketable Securities)	5,495	7,290	6,835	11,480	14,525

*Assumes no cash dividends on common stock

EXHIBIT 5

Historical and Proforma Interest Coverage
(000)

	1967	1968	1969	1970	1971 (1)	1971E	1972E	1973E	1974E	1975E
Net Income before Taxes	$ (582)	$1074	$2716	$2929	$4211	$5173	$12,159	$16,165	$21,840	$24,590
Interest on Debt	1621	963	1780	2857	2857E	2311	2155	2155	1705	1205
Excess Depreciation	1831	1831	1831	1800	1750E	1500	200	200	175	125
Income Available for Interest	2870	3868	6327	7586	8818	8984	14,514	18,520	23,720	25,920
Proforma Interest (2)	2320	2320	2320	2320	2320	2320	2320	2320	2320	2320
Times Proforma Interest Earned	1.2x	1.7x	2.7x	3.3x	3.8x	3.9x	6.3x	8.0x	10.2x	11.2x

(1) Latest 12 months through 3/31/71.

(2) Proforma Interest:

$5,000,000 7 1/2% Cv. Sub. Debs.	375,000
Install. Notes	9,000
$3,850,000 10% Sub. Notes	385,000
$7,000,000 11% Senior Debt	770,000
Bank Loans*	781,000
	2,320,000

* Assumes an average annual balance of $9,760,000 at 8% taking compensating balances into account.

EXHIBIT 6

TOPPER COPPORATION
Projected Balance Sheet (000)

December 31	1971			1972			1973			1974			1975		
Assets															
Current Assets															
Cash	$ 5,765	14.1%		$ 7,360	16.2%		$ 6,810	13.2%		$11,360	18.2%		$14,310	19.4%	
Accts Receivable	27,450	67.1		30,000	65.9		36,000	70.0		42,000	67.1		50,000	67.6	
Inventories	6,631	16.2		7,100	15.6		7,600	14.8		8,100	13.0		8,600	11.6	
Pre-Paid Expenses	1,050	2.6		1,050	2.3		1,050	2.0		1,050	1.7		1,050	1.4	
Total	40,896	100.0	88.8%	45,510	100.0	90.3%	51,460	100.0	91.8%	62,510	100.0	93.6%	73,960	100.0	94.4%
Fixed Assets	4,920		10.7	4,670		9.3	4,420		7.9	4,170		6.2	4,295		5.5
Other Assets	220		0.5	190		.4	160		.3	130		.2	100		1
Total Assets	$46,036		100.0%	$50,370		100.0%	$56,040		100.0%	$66,810		100.0%	$78,355		100.0%
Liabilities & Stockholder's Equity															
Current Liabilities															
Bank loans	$ --	-%		$ --	-%		$ --	-%		$ --	-%		$--	-%	
10% Sub Notes	3,850	34.6		--	-		--	-		--	-		--	-	
Accts Payable	7,277	65.4		3,701	43.9		3,116	47.8		2,194	32.1		1,988	33.5	
Provision For Taxes	--	-		4,725	56.1		3,400	52.2		4,650	67.9		3,950	66.5	
Total	11,127	100.0	24.2%	8,426	100.0	16.8%	6,516	100.0	11.6%	6,844	100.0	10.2%	5,938	100.0	7.6%
Long Term Liabilities															
Senior Debs	7,000	46.8		7,000	44.8		7,000	44.8		7,000[1]	44.8		7,000[1]	44.8	
Conv. Sub. Debs.	5,000	33.5		5,000	32.0		5,000	32.0		5,000	32.0		5,000	32.0	
Installment Notes	55	.4		--	--		--	--		--	--		--	-	
Def. Fed. Inc. Taxes	2,886	19.3		3,636	23.2		3,636	23.2		3,636	23.2		3,636	23.2	
Total	14,941	100.0	32.5	15,636	100.0	31.0	15,636	100.0	27.9	15,636	100.0	23.4	15,636	100.0	20.0%
Stockholders' Equity															
5% Pfd. Stock	3,000	15.0		3,000	11.4		3,000	8.9		3,000	6.8		3,000	5.3	
Common Stock	3,739	18.7		3,869	14.6		3,869	11.4		3,869	8.7		3,869	6.8	
Capital Surplus	9,013	45.1		9,224	35.1		9,224	27.2		9,224	20.8		9,224	16.2	
Earned Surplus	5,341	26.8		11,590	44.1		19,792	58.4		31,066	70.1		43,758	77.1	
Total	21,093	105.6		27,683	105.2		35,885	105.9		47,159	106.4		59,851	105.4	
Less Treas. Stock	1,125	5.6		1,375	5.2		1,997	5.9		2,829	6.4		3,070	5.4	
Total	19,968	100.0	43.3	26,308	100.0	52.2	33,888	100.0	60.5	44,330	100.0	66.4	56,781	100.0	72.4
Total Liab. & Stkhldrs. Equity	46,036		100.0%	50,370		100.0	56,040		100.0%	66,810		100.0	78,355		100.0
Current Ratio	3.7			5.4			7.9			9.1			12.5		

[1] Beginning March 31, 1974 the principal will be repaid in equal quarterly installments, the amount of which is to be negotiated.

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TOPPER CORPORATION

Historical and Proforma Asset Coverage
(000)

	12/31/70	12/31/70(1)	12/13/71
Current Assets	$42,053	$42,053	$40,896
Current Liabilities	34,651	16,751	11,127
Net Current Assets	7,402	25,302	29,769
Fixed Assets	7,520	7,520	4,920
Net Tangible Assets	14,922	32,822	34,689
Aggregate Indicated Market (7/7/71 - 16 5/8) Value - Equity Securities (AIMV)	50,388	61,336	61,336
Proforma Funded Debt			
Senior	--	7,000	7,000
Subordinated	3,957	8,957	8,905
Total	3,957	15,957	15,905
Net Current Assets Per $1000 L.T.D.	1,871	1,586	1,872
Net Tangible Assets Per $1000 L.T.D.	3,771	2,057	2,181
AIMV - Equity Securities Per $1000 L.T.D.	12,734	3,844	3,856

(1) Proforma to include Equity offering of 4/29/71, $7 million of straight debt, and $5 million of convertible debt.

EXHIBIT 8

TOPPER CORPORATION
COMPARISON WITH SELECTED TOY COMPANIES

		TOPPER CORPORATION		MATTEL (4) INC.		HASBRO INDUSTRIES	
Where Traded		OTC		NYSE - MAT		OTC	
Fiscal Year Ends		Dec 31		Jan 31		Dec 31	
Indicated Dividend Rate		-		$ .10		-	
Yield		-		0.2%		-	
Recent Price Per Share		$16-5/8 bid		$39-1/4		$12-3/4 bid	
1970-71 Price Range		$18 - 3-1/2		$52-1/4 - 28-1/9		$21-1/4 - 6	
Price Earnings Ratio		32.6x		35.4x		63.8x	
Shares Outstanding (000)		3,689.4		15,990.2		1,933.0	
Market Value (000)		$61,336		$627,615		$24,646	
Book Value (000)		$17,408		$104,504		$13,351	
Market Value as a % of Book		352%		601%		185%	
Sales (000) and as % of 1966	Latest 12 mos.	$ 66,857 (3/31)	221%	$357,911 (1/31)	297%	$ 49,093 (3/31)	115%
	Fiscal 1970	63,936	211	297,345	247	45,170	106
	1969	53,723	177	238,002	198	44,806	105
	1968	35,036	116	182,115	151	41,315	97
	1967	30,292 (1)	100	145,344	121	37,020	87
	1966	N/A	-	120,258	100	42,643	100
Cost of Goods Sold (000) And as % of Sales	Latest 12 mos.	$ 44,843	67.1%	$ N/A	- %	$ N/A	- %
	Fiscal 1970	43,702	68.4	189,699 (5)	63.8	N/A	-
	1969	35,755	66.6	160,597	67.5	32,320 (7)	72.1
	1968	23,845	68.1	125,539	68.9	27,766	67.2
	1967	22,038 (1)	72.7	102,436	70.5	25,599	69.1
	1966	N/A	-	84,904	70.6	29,450	69.1
Selling, General and Administrative (000) and as % of sales	Latest 12 mos.	$ 15,179	22.7%	$ N/A	- %	$ N/A	- %
	Fiscal 1970	14,668	23.0	76,849	25.8	N/A	-
	1969	13,691	25.5	59,956	25.2	13,374	29.8
	1968	9,375	26.8	44,190	24.2	11,358	27.5
	1967	7,436 (1)	24.5	35,270	24.3	10,055	27.2
	1966	N/A	-	29,680	24.7	11,944	28.0
Pretax Income (000) and as % of Sales	Latest 12 mos.	$ 4,209	6.3%	$ 33,209	9.3%	$ N/A	- %
	Fiscal 1970	2,927	4.6	26,155	8.8	775 E	1.7
	1969	2,716	5.3	16,620	7.0	(1,913)	-
	1968	1,074	3.1	10,651	5.8	1,498	3.6
	1967	(582)(1)	-	6,247	4.3	681	1.8
	1966	N/A	-	5,144	4.3	621	1.5
Net Income (000) and as % of sales	Latest 12 mos.	$ 2,106 (2)	3.1%	$ 17,408	4.9%	$ 895	1.8%
	Fiscal 1970	1,464 (2)	2.3	12,900	4.3	395	0.9
	1969	1,282 (2)	2.4	8,238	3.5	(989)	d
	1968	507 (2)	1.4	5,321	2.9	814	2.0
	1967	(582) (1,2)	-	3,824	2.6	381	1.0
	1966	N/A	-	2,763	2.3	366	0.9
Net Income Per Share	Latest 12 mos.	$ 0.83 (2)		$ 1.11 (6)		$ N/A	
	Fiscal 1970	0.51 (2)		.92		0.20	
	1969	0.51 (2)		.62		(0.51)	
	1968	0.18 (2)		.41		0.48	
	1967	(0.48)(1,2)		.29		0.23	
	1966	N/A		.22		0.22	
Capitalization (000)		3/31/71		1/31/71		12/31/71	
Short Term Debt		$ 14,714(3)	40.8%	$ 77,281	38.7%	$ 10,488	40.9
Senior Debt		-		-		-	
Subordinated Debt		3,944	10.9	18,050	9.0	1,831	7.1
Stockholder's Equity		17,408	48.3	104,540	52.3	13,351	52.0
TOTAL		$ 36,066	100.0%	$199,871	100.0%	$ 25,670	100.0%

		MILTON BRADLEY		TONKA CORP.		IDEAL TOY CORP.	
Where Traded		NYSE - MB		ASE - TKA		ASE - [illegible]	
Fiscal Year Ends		Dec 31		Dec 31		Jan 31	
Indicated Dividend Rate		$ 0.60		$ 0.40		4% stk	
Yield		1.7%		2.[illegible]%		-	
Recent Price Per Share		$37-1/8		$ 15 3/8		$ 29 1/8	
1970-71 Price Range		$37-1/2 - 13-3/4		$29 - 11-7/8		$36-1/2 - 14-1/4	
Price Earnings Ratio		25.3x		20.5x		22.1x	
Shares Outstanding (000)		3,637.5		1,355.5		2,226.5	
Market Value (000)		$135,042		$20,764		$64,847	
Book Value (000)		$ 42,722		$18,511		$17,001	
Market Value as a % of Book		316%		112%		381%	
Sales (000) and as % of 1966	Latest 12 mos.	$ 92,937 (3/31)	157%	$ 40,639 (4/3)	155%	$ 75,066 (1/28)	156%
	Fiscal 1970	90,127	153	44,015	169	64,361	134
	1969	78,759	133	45,696	175	53,856	112
	1968	74,297	126	35,051 (10)	134	49,805	104
	1967	72,615	123	31,852	122	48,071	100
	1966	59,094	100	26,105	100	-	-
Cost of Goods Sold (000) And as % of Sales	Latest 12 mos.	$ N/A	- %	$ N/A	- %	$ 45,530 (11)	60.7%
	Fiscal 1970	56,675 (8)	62.9	31,349	71.2	41,095	63.9
	1969	50,966	64.7	32,735	71.6	34,455	64.0
	1968	49,360	66.4	24,059 (10)	68.6	32,721	65.7
	1967	46,112	63.5	22,996	72.2	34,321	71.3
	1966	39,496	66.8	19,567	75.0	N/A	-
Selling, General and Administrative (000) and as % of sales	Latest 12 mos.	$ N/A	- %	$ N/A	-	$ 21,521	28.7%
	Fiscal 1970	20,793	23.1	9,324	21.2	17,518	27.2
	1969	16,499	21.0	8,645	18.9	15,205	28.2
	1968	14,668	19.7	6,000 (10)	17.1	13,411	26.9
	1967	14,658	20.2	4,874	15.3	11,241	23.4
	1966	11,987	20.3	3,727	14.3	N/A	-
Pretax Income (000) and as % of Sales	Latest 12 mos.	$ N/A	- %	$ N/A	- %	$ 6,600	8.8%
	Fiscal 1970	11,266	12.4	2,109	4.8	4,756	7.4
	1969	10,498	13.3	3,496	7.7	3,547	6.6
	1968	8,475	11.4	4,665 (10)	13.3	3,091	6.2
	1967	10,683	15.0	3,555	11.2	1,739	3.6
	1966	7,097	12.0	2,459	9.4	N/A	-
Net Income (000) and as % of sales	Latest 12 mos.	$ 5,414	5.8%	$ 374	0.9%	$ 2,951	3.9%
	Fiscal 1970	5,148	5.7	1,008	2.3	2,178	3.4
	1969	4,798	6.1	1,776	3.9	1,935	3.6
	1968	3,964	5.3	2,321 (2,10)	6.6	1,528	3.1
	1967	5,375	7.4	1,762	5.5	1,027	2.1
	1966	3,577	6.0	1,270	4.9	N/A	-
Net Income Per Share	Latest 12 mos.	$ 1.49		$ .28		$ 1.32	
	Fiscal 1970	1.47		.75		1.04	
	1969	1.32		1.32		.95	
	1968	1.14		1.78 (10)		.75	
	1967	1.58		1.54		.51	
	1966	1.12		1.13		N/A	
Capitalization (000)		12/31/71		1/2/71		1/28/71	
Short Term Debt		$ 6,781	11.5%	$ 11,766	34.5%	9,040	30.4%
Senior Debt		-		3,125	9.2	-	
Subordinated Debt		9,659 (9)	16.3	654	1.9	3,719	12.5
Stockholder's Equity		42,722	72.2	18,511	54.4	17,001	57.1
TOTAL		$59,162	100.0%	$34,056	100.0%	$29,760	100.0%

Topper Corporation
Comparison with Selected Toy Companies

Footnotes:

1.) Eleven Months thru 12/31/67
2.) Excludes Extraordinary items.
3.) Proforma for 4/29/71 public offering of Common Stock.
4.) All operating results through 1/31/70 exclude results attributable to Ringling Bros. Barnum Bailey Circus.
5.) Includes depreciation of $1,594,000, $1,344,000, and $1,073,000 for the years ended Jan. 31, 1970, 1969, and 1968 respectively.
6.) Includes approximately $0.30 per share from Insurance Recovery.
7.) Includes depreciation of $1,520,000 in F. '69 and $1,480,000 in F. '68.
8.) Includes depreciation of $2,300,000, $1,860,000, $1,770,000, $1,580,000 and $600,000 in fiscal 1970, 1969, 1968, 1967, and 1966 respectively.
9.) Includes some senior debt which the Company does not identify.
10.) Fiscal year ending 6/30/68. (Rider A)
11.) Includes depreciation as a % of sales of 1.0%, 0.8%, 0.9%, 0.9%, and 0.9% for fiscal years 1971, 1970, 1969, 1968, 1967, respectively.

Rider A

The results for the six months ended December 28, 1968 were sales of $25,581,942, pre-tax income of $4,448,859, net income of $2,013,305 and earnings per share of $1.50.

A 2797

P. EXH 497 6/29/74

AVENUE
YORK, N. Y. 10017
(212) 732-1040

VENDÔME PARIS
PHONE 742 17 90

BRUSSELS
PHONE 38

WHITE & CASE
14 WALL STREET
NEW YORK, N. Y. 10005
(212) 732-1040

CABLES
WHITECASE, NEW YORK
WHITECASE, PARIS
WHITECASE, BRUSSELS

TELEX
20201
22248
23100

JR

JH:ER

March 16, 1971

re Topper Corporation -
General

Mr. Jack J. Rose
Senior Vice President-Finance
Topper Corporation
107 Trumbull Street
Elizabeth, New Jersey 07206

Dear Jack:

Enclosed is a memorandum of a telephone call we had today with Mr. Levie, an attorney for First National City Bank. I would appreciate your getting back to me, at your convenience, with relevant information so that I can, in turn, get back to Mr. Levie.

With best regards,

Sincerely,

Joe

Joseph Hinsey

Enclosure

A7 ; D4

MEMORANDUM TO FILES

Topper Corporation
re General

March 16, 1971

This morning Mr. Hinsey discussed with Mr. Joseph H. Levie of Rathheim, Abrams, Hoffman & Kassel a form of agreement to be entered into by Topper and its customers which Mr. Levie understands to have been prepared by White & Case. Pursuant to the agreement Topper holds goods for a customer's order in a warehouse in New Jersey pending delivery prior to September, 1971 at the customer's option but currently bills the customer for those goods. Mr. Levie is concerned that such a "bill and hold" arrangement creates a substantial risk of the customer's rejecting the goods upon delivery in the future and thus jeopardizes First National City Bank's position in financing accounts receivable for Topper. Mr. Levie proposes drafting an instrument to be executed by each customer involved which would estop the customer from rejecting the goods upon delivery and protect First National City Bank in financing those customers' accounts. Mr. Hinsey stated that to the best of his knowledge White &

3/61/0

Case had not prepared the agreement in question and assured Mr. Levie that he would look into the matter.

R. Scheibe

cc: Joseph Hinsey, Esq. ✓

+

A 2300

P. EXH 506
5/5/74

FIRST NATIONAL CITY BANK
(HUBSHMAN FACTORS DEPARTMENT)

-and-

MANUFACTURERS HANOVER TRUST COMPANY

-and-

DE LUXE TOPPER CORPORATION

AGREEMENT

Dated: October 4, 1966.

S
✓

A 2801

A

AGREEMENT entered into this 4th day of October, 1966, between FIRST NATIONAL CITY BANK (HUBSHMAN FACTORS DEPARTMENT), a national banking corporation, with its office at 90 Park Avenue, Borough of Manhattan, City of New York, MANUFACTURERS HANOVER TRUST COMPANY, a New York banking corporation, with an office at 350 Park Avenue, Borough of Manhattan, City of New York (hereinafter referred to collectively as the "Banks"), and DE LUXE TOPPER CORPORATION, a Delaware corporation, with its principal office at 107 Trumbull Street, Elizabeth, New Jersey (hereinafter referred to as "DLT"),

WITNESSETH:

WHEREAS, DLT has requested the Banks to advance to it moneys from time to time, and the Banks are willing to do so upon the terms, conditions and security hereinafter provided for,

NOW, THEREFORE, in consideration of the mutual covenants, promises and undertakings hereinafter set forth, and for other good and valuable consideration, it is hereby agreed as follows:

1. As security for Obligations (as herein defined) at any time owing by DLT to the Banks, DLT

hereby grants to the Banks the following security interests:

(a) A continuing security interest in all of the Receivables (as herein defined) of DLT, whether now existing or hereafter arising or in which DLT now has or may hereafter acquire any rights, which Receivables are hereby assigned to the Banks. The term "Receivables" means and includes accounts, contract rights, instruments (other than securities and other than negotiable instruments evidencing investments), documents, chattel paper, general intangibles (other than trademarks, tradenames, patents and copyrights) and all other forms of obligations owing to DLT arising out of the sale of Inventory (as herein defined), other tangible assets and services, all proceeds thereof and all of the rights of DLT to any merchandise which is represented thereby, and all right, title, security and guarantees which DLT has with respect to each Receivable, including the right of stoppage in transit. From time to time DLT shall provide the Banks with schedules describing all Receivables created or acquired by it since the date of the last such schedule furnished, and shall execute and deliver confirmatory written assignments of such Receivables to the Banks, provided, however, that its failure to execute and deliver such schedules and/or assignments shall not affect or limit the Banks' security interest or any other rights in and to Receivables. Together with each schedule DLT shall furnish copies of customers' invoices or the equivalent, "rights contracts," and original shipping or delivery receipts for all merchandise sold, and such other documents as the Banks may require, covering the items in the subject schedule.

(b) A continuing security interest in all Inventory now or hereafter owned by DLT, including all contract rights with respect thereto and all documents representing the same and all proceeds thereof. The term "Inventory" means and includes all goods intended for sale by DLT and all raw materials, goods in process, finished goods, materials and supplies of every nature and description owned by DLT used or which might be used in connection with the manufacture, packing, shipping, advertising, selling, leasing or furnishing of such goods. The security interest of the Banks shall continue through all stages of manufacture and shall, without further act attach to raw materials, to goods in process, to the finished goods and to "Receivables" or other proceeds resulting from the sale or other disposition thereof, and to all such Inventory as may be returned to DLT by customers. If a default hereunder shall have occurred and shall not have been cured within the grace period specified, if any, the Banks shall have the right to take physical possession of the Inventory and to maintain such possession on the premises of DLT, or to remove the Inventory or any part thereof to such other place as they may desire. If they exercise their right to take possession of the Inventory

DLT shall, upon their demand, at its own cost and expense assemble the Inventory and make it available to the Banks at any place designated by the Banks in the New York counties of New York, Kings or Bronx or in the New Jersey counties of Union and Middlesex. DLT shall perform any and all steps requested by the Banks which are determined to be reasonably necessary by counsel for the Banks to perfect their security interest in the Inventory which is located in the State of New Jersey, such as leasing to them or their designee warehouse space (where permissible) in premises under lease to or occupied by DLT, placing and maintaining signs, appointing custodians whose compensation shall be borne by DLT, maintaining permanent and accurate perpetual Inventory and stock records, and transferring Inventory to warehouses. For purposes of the next preceding sentence, the Inventory and stock records presently maintained by DLT are acknowledged to be adequate for purposes of this agreement and protection of the Banks' rights hereunder.

If a default hereunder shall have occurred and shall not have been cured within the grace period specified, if any, and any Inventory is in the possession or control of any of the agents or processors of DLT, it shall, upon request, notify such agents or processors of the security interest of the Banks therein and instruct them to hold such Inventory for the account of the Banks and subject to their instructions. A physical listing of all Inventory, wherever located, shall be taken by DLT annually, provided that, if a default hereunder shall have occurred and shall not have been cured within the grace period specified, if any, such a physical listing shall be taken whenever requested by the Banks, and a copy of each such physical listing shall be supplied to the Banks. DLT shall furnish to the Banks a copy of its weekly book inventory report in the form heretofore furnished to and approved by the Banks, as soon as available after the period covered. From time to time DLT shall, upon request of the Banks, execute and deliver confirmatory written instruments pledging to them the Inventory described in any such listings or otherwise, provided, however, that its failure to execute and deliver such confirmatory instruments shall not affect or limit the security interest of the Banks or their other rights in and to the Inventory. The Banks may examine and inspect the Inventory at any time during regular business hours.

(c) A continuing security interest in all of the machinery, equipment, office machinery and equipment, fixtures, conveyors, molds, dies, tools, jigs, machine parts, attachments, accessories, factory and lift trucks, automotive equipment and air conditioning equipment of whatsoever nature and description, and wherever situated, now owned and which may hereafter be acquired by DLT, including but not limited to the items specifically enumerated in the appraisal made by Industrial Plants Corporation as of July 6th through July 18th, 1966, a copy of which has heretofore been furnished by DLT to the Banks, together with all additions thereto, replacements thereof and substitutions therefor.

(d) All sums at any time standing to the credit of DLT on the books of the Banks or either of them, and all of the property of DLT at any time in their possession or upon which either of them shall have a lien or security interest, shall also be security for all Obligations of DLT regardless of whether there has been a default hereunder or whether notice thereof has been given.

The term "Obligations" as used herein means and includes all loans, advances, debts, liabilities, obligations, covenants and duties now or hereafter owing by DLT to the Banks arising out of this agreement or any amendment thereof, supplement thereto, or extension thereof, or any transaction covered thereby, including without limitation all interest, fees, charges, expenses and reasonable attorneys' fees incurred to enforce Receivables assigned to the Banks hereunder, or to enforce the rights of the Banks against DLT hereunder, or to enforce the rights of the Banks in and to any collateral pledged with them hereunder or in which they have been granted a security interest, or the proceeds thereof, or in the defense or prosecution of any action or proceeding concerning any matter growing out of or in connection with this agreement and/or the Receivables assigned to the Banks and/or the security interests granted to them herein.

2. To induce the Banks to make the loans and advances herein provided for, DLT represents and warrants to them as follows:

(a) That it is a validly organized corporation under the laws of the State of Delaware, and that it has duly qualified under the laws of the State of New Jersey and is authorized to conduct its activities and business in the State of New Jersey.

(b) That its principal office is at 107 Trumbull Street, Elizabeth, New Jersey, and that all of its books and records are maintained at said address.

(c) That it has the power and authority to execute and carry out this agreement and to create the security interests herein provided for, and that all necessary corporate action has been taken by it to make valid and binding this agreement and said security interests.

(d) That the leases on each of the premises occupied by it in the State of New Jersey are in full force and effect, and that the rental payments due thereunder to the date hereof have been paid in full, and that the tenant is not otherwise in default thereunder.

(e) That each Receivable assigned hereunder for the purpose of the advance of funds pursuant to paragraph 7 hereof will be free and clear and will cover a bona fide sale and delivery of merchandise usually dealt in by it, or the rendition by it of services to customers in the ordinary course of business, and will be for a liquidated amount maturing as stated in the assignment thereof and duplicate invoice (covering said sale and the Banks' security interest therein), and not subject to any offset, deduction, counterclaim, lien or other condition other than as set forth on the face of the invoice, except for the 4% franchise distributors' rebate due on the February 15th following the calendar year in which earned, except for the "re-rights discount" available in accordance with the "rights contract" and except for the security interest granted hereunder and as permitted hereby.

(f) That each "rights contract" assigned to the Banks for the purpose of the advance of funds pursuant to paragraph 7 hereof will be a valid agreement and binding according to its terms on the customer named therein, and will not be subject to any offset, deduction, counterclaim, lien or other condition except for the security interest granted hereunder and as permitted hereby. All merchandise purchased under each such "rights contract" so assigned to the Banks shall have been segregated and earmarked prior to the time of such assignment, and will remain segregated and earmarked until actual delivery of such merchandise to the customer. All merchandise required to fulfill obligations under "rights contracts" not assigned for the purpose of the advance of funds pursuant to paragraph 7 hereof shall be segregated in bulk and will remain so segregated until actual delivery to the customer.

(g) That all Inventory of DLT is and will be owned by it free of all liens and encumbrances of every nature whatsoever, except for the security interest granted hereunder and as permitted hereby and will be kept by DLT at Port-Side Industrial Center, Elizabethport, New Jersey, 1355 West Front Street, Plainfield, New Jersey, Bayway Terminal, Elizabeth, New Jersey and Raritan Center, Woodbridge Avenue, Edison Township, New Jersey, except for Inventory having an aggregate value (as carried on the books of DLT) not exceeding $1,000,000 at any time (of which no more than $300,000 shall be finished goods Inventory), and that it will not, without the prior written approval of the Banks, remove said Inventory therefrom except for the purposes of manufacture or sale in the regular course of business.

(h) That substantially all of its finished goods Inventory is presently and, to the extent within its control, will continue to be of merchantable quality.

(i) That it is the sole and absolute owner of the machinery, equipment, personal property and other tangibles itemized in the appraisal of Industrial Plants Corporation hereinabove referred to except for the items listed in a letter from De Luxe Reading Corporation to the Banks dated September 19, 1966, and that all of said property is presently located in its plant at Elizabeth, New Jersey or in the possession or control of processors or agents in New Jersey or New York or in transit in such jurisdictions, except for molds, tools, dies and jigs in the possession or control of processors or agents in other jurisdictions or in transit, the value of which as set forth in said appraisal does not exceed in the aggregate $1,250,000. For purposes of the preceding sentence, if any component of a set of tools, including molds, tools, dies and jigs, relating to a particular item or product is in any such other jurisdiction, all of the components of such set shall be deemed to be located outside of New Jersey and New York.

(j) That there are no mortgage liens, security interests or any other encumbrances of any nature whatsoever on or affecting said machinery, equipment, personal property and other tangibles, and that said property and each and every part thereof is absolutely free and clear thereof except for the security interest granted hereunder and as permitted hereby.

(k) That none of said machinery, equipment, personal property and other tangibles itemized in said appraisal is so affixed or attached to the realty as to have become part thereof.

3. Except for the utilization of Inventory in the manufacturing process, sales of Inventory in the regular course of its business and sales or other dispositions in any calendar month of machinery and equipment as referred to in paragraph 1(c) hereof having an aggregate original cost not exceeding $5,000, and except for the security interest granted hereunder and as permitted hereby, DLT shall not assign, sell, transfer, encumber, grant a security interest in or dispose of or permit the sale, encumbrance or disposal of any of its Receivables, Inventory, machinery and equipment as referred to in paragraph 1(c) hereof and copyrights, trademarks and patents without the prior written consent of the Banks. DLT shall place notations upon its books of account to disclose the assignment of all Receivables to the Banks and their security interest therein and in the Inventory of DLT, and shall perform all other steps requested by the Banks which are determined to be reasonably

necessary by counsel for the Banks to create in their favor a valid first security interest, assignment or lien in, of, or on all Receivables, Inventory, machinery and equipment as referred to in paragraph 1(c) hereof and all other security held by or for the Banks. The Banks may file one or more Financing Statements disclosing their security interest without the signature of DLT appearing thereon.

Anything contained in this agreement to the contrary notwithstanding, the following mortgages, liens, security interests, encumbrances and other charges are permitted hereunder with respect to the Receivables, Inventory, machinery, equipment, personal property and other tangibles in which a security interest is granted to the Banks pursuant to the provisions hereof and with respect to the copyrights, trademarks and patents of DLT: (i) liens for taxes as permitted by paragraph 5 hereof; (ii) the security interest granted or to be granted to De Luxe Reading Corporation to secure obligations in an aggregate principal amount not exceeding $8,000,000 as provided in the Purchase Agreement (as hereinafter defined) in accordance with consent letter delivered by the Banks to De Luxe Reading

Corporation on the date hereof; (iii) artisans' liens and other similar liens of agents and processors with respect to Inventory and molds, tools, dies and jigs in their possession or control; and (iv) other liens, encumbrances and other charges incidental to the conduct of the business of DLT or the ownership of the property of DLT which are not incurred in connection with the borrowing of money and which do not materially detract from the value of said Receivables, Inventory, machinery, equipment, personal property and other tangibles and said copyrights, trademarks and patents or materially impair the use thereof in the operation of the business of DLT.

4. Until the discharge in full of all Obligations of DLT to the Banks, DLT shall: (i) keep all of the machinery and equipment, personal property and other tangibles as referred to in paragraph 1(c) hereof subject to the security interests herein provided for, in good state of repair, and shall not waste or destroy the same or any part thereof and shall not be negligent in the care and use thereof, (ii) keep all of the Inventory and said machinery and equipment, personal property and other tangibles insured in insurance companies licensed to do business in the State of New York, against loss

or damage by fire and other risks usually insured against under "extended coverage endorsement," and theft, burglary and pilferage, loss in transit, and such other hazards as the Banks may reasonably request, in amounts satisfactory to the Banks and in the name of and for the benefit of the Banks, and shall deliver to the Banks a policy or policies of such insurance or certificates thereof, and (iii) except for molds, tools, dies and jigs in the possession or control of processors or agents in other jurisdictions or in transit having an aggregate value not exceeding the amount provided in paragraph 2(i) hereof and except for other machinery and equipment not included in the appraisal heretofore referred to having an aggregate depreciated value (as carried on the books of DLT) not exceeding $175,000 at any time, keep said machinery and equipment, personal property and other tangibles within the States of New Jersey and New York. In the event that DLT shall fail to procure or maintain such insurance the Banks shall have the right to procure and maintain it, and the premiums paid by them therefor shall be charged to the loan account of DLT hereinafter referred to.

5. DLT shall pay all taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits, or upon any property real or personal belonging to it, before the same become delinquent or become liens on such property, prior in lien to the lien of the security interests provided for in this agreement, and in default thereof the Banks may at their option pay the same together with interest and penalty, and the amount thereof shall be charged to the loan account of DLT hereinafter referred to; provided, however, that nothing in this paragraph shall require DLT to pay any such tax, assessment, charge or levy so long as DLT in good faith shall contest the validity or applicability thereof.

6. DLT shall pay when due the rents and all other sums owing by it under the various leases covering space occupied by it and shall otherwise comply with the provisions thereof, and shall, upon the request of the Banks, exhibit to them proof of such payments; provided, however, that nothing contained in this paragraph shall require DLT to make any such payment or so comply so long as DLT in good faith shall contest the same and shall deposit such payments with the Banks as they become

due. The Banks shall in their discretion have the right to make such payments on behalf of DLT and to charge the amount thereof to the loan account of DLT hereinafter referred to.

7. The Banks shall lend to DLT, at their discretion, (a) up to eighty (80%) per cent of the face amount of Receivables which they deem eligible net of applicable discounts and less such reserves as they may deem proper and necessary, plus (b) additional sums which shall not in the aggregate exceed the lesser of (i) Nine Million Dollars ($9,000,000), (ii) fifty (50%) per cent of the value of Inventory located in the State of New Jersey at cost or market (whichever is lower) or (iii) one hundred (100%) per cent of the portion of said Inventory which consists of finished goods; provided that the total indebtedness due to the Banks from DLT by reason of such loans shall in no event exceed Twenty Million Dollars ($20,000,000) at any one time outstanding. The amount of all such loans shall be charged to the loan account of DLT maintained for purposes of this agreement and shall be deposited to the commercial checking account of DLT at the above-mentioned office of Manufacturers Hanover Trust Company.

If a default hereunder shall have occurred and shall not have been cured within the grace period specified, if any, the Banks or their designee shall have the right to notify customers or account debtors of DLT that Receivables have been assigned to them or of their security interest therein, collect them directly, and charge the collection costs and expenses to the account of DLT, but, unless and until the Banks do so or give to DLT other instructions, DLT shall make collection of all Receivables for the Banks, receive all payments thereon as their trustee, and immediately deliver such payments to the Banks in their original form. If sales of Inventory are made by DLT for cash it shall hold the receipts as trustee and immediately deliver to the Banks the identical checks, cash or other payments which it receives. Except for the disposal of Inventory for promotional purposes in the regular course of business, the aggregate value (cost or market, whichever is lower) of which shall not exceed $50,000 during any consecutive twelve month period, there shall be no sales of Inventory for any consideration other than money. All payments received by the Banks on account of Receivables or on account of cash sales of Inventory, shall be credited to the aforesaid loan account of DLT after allowing three (3) days for collection of checks and other instruments, and conditional upon the final collection of such checks and other instruments. During such times as there shall not exist a debit balance in the loan account of DLT hereunder, the Banks shall immediately deliver any checks, cash or other payments received from DLT pursuant to this agreement in their original form to the above-mentioned office of Manufacturers Hanover Trust Company for deposit to the aforesaid commercial checking account of DLT.

8. The finance charge of the Banks to DLT hereunder shall be an amount equal to 1/38th of 1% per day upon the net debit balance of the loan account of DLT owing to the Banks at the close of each day, and shall be due and payable to the Banks at the close of each month. The Banks will account monthly and such account rendered by them shall be deemed binding unless they are notified in writing to the contrary within thirty (30) days of each account rendered. The charge as herein set forth is based upon the prime interest rate of six (6%) per cent per annum charged by the Banks to general commercial borrowers in the New York

City area as of the date hereof. In the event said prime bank rate is subsequently increased or decreased by both of the Banks, then as of the first day of the following month there shall be made an identical increase or decrease in the Banks' charge to DLT, provided, however, that their total charge to DLT shall in no event exceed the rate permitted by the law governing this agreement, and provided further that the finance charge set forth above shall in no event be reduced below 1/40th of 1% per day.

9. Until DLT shall have repaid to the Banks all moneys advanced by them up to December 31, 1967, DLT shall not, without the prior written consent of the Banks, make any optional or voluntary prepayment of any part of the Nineteen Million ($19,000,000) Dollars or Eight Million ($8,000,000) Dollars subordinated promissory notes, or of any other sums advanced by De Luxe Reading Corporation to DLT, which notes and advances are provided for in the purchase agreement among De Luxe Reading Corporation, DLT and Philadelphia and Reading Corporation dated as of the 1st day of October, 1966 (herein called the "Purchase Agreement").

10. All Obligations or any part thereof incurred under this agreement or any supplement thereto

or amendment thereof, shall be payable by DLT on demand; recourse to security shall not be required at any time. If any warranty of DLT hereunder is breached as to any Receivable which has been deemed eligible by the Banks pursuant to paragraph 7 hereof or any such Receivable is not paid by the customer or account debtor within sixty (60) days from the due date of the invoice, or the customer or account debtor disputes liability or makes any claim with respect thereto, or is in default under the terms of any "rights contract" or disputes its liability thereunder, or a petition in bankruptcy or other application for relief under the Bankruptcy Act or any other insolvency law is filed with respect to the customer or account debtor, or the customer or account debtor assigns for the benefit of creditors, becomes insolvent, fails or goes out of business, or a Receiver or Trustee is appointed for the assets or affairs of the customer or account debtor, then the Banks may deem ineligible any and all Receivables owing by that customer or account debtor and any and all "rights contracts" to which said customer or account debtor is a party; but the Banks shall retain their title to all Receivables eligible and ineligible and security interest therein until all Obligations have been fully satisfied.

Any merchandise which is returned by or otherwise recovered from an account debtor shall remain a part of the Banks' security. DLT shall notify the Banks promptly of all such returns and recoveries. DLT shall also notify the Banks promptly of all disputes and claims and settle or adjust them at no expense to the Banks. DLT shall not, without the prior written consent of the Banks, grant any credit, allowance or rebate, or accept returns of merchandise from any account debtor, which would materially or substantially affect adversely the collateral value of the Receivables assigned to the Banks hereunder, provided that the Banks may at any time notify DLT in writing that thereafter no credits, allowances, rebates or returns may be granted or accepted without the prior written consent of the Banks, in which event DLT from and after the time of receiving such notice shall comply therewith; provided, however, that nothing in this sentence shall prohibit or restrict DLT from granting credits, allowances or rebates of the type referred to in paragraph 2(e) hereof.

If a default hereunder shall have occurred and shall not have been cured within the grace period specified,if any, the Banks may settle or adjust disputes and claims directly with customers or account debtors for amounts and upon terms which they consider advisable, and in all cases they will credit the loan account of DLT with only the net amounts received by them in payment of Receivables.

11. MANUFACTURERS HANOVER TRUST COMPANY hereby appoints FIRST NATIONAL CITY BANK as its agent to make all advances hereunder, to accept and receive all assignments of Receivables and consignments of merchandise in its name on behalf of both banks, to receive all payments and collections, to render all accounts provided for herein, to give and receive all notices, and to manage and conduct the loan and collateral accounts between the Banks and DLT, deal with the collateral and security interests hereunder and exercise all of the rights of the Banks hereunder, and DLT is authorized to deal with said First National City Bank until receipt of joint written notice to the contrary, with the same force and effect as if said First National City Bank were the sole lender hereunder.

12. DLT waives presentment and protest of any instrument and notice thereof and all other notices to which it might otherwise be entitled except notice of

default hereunder. The Banks may at all times during regular business hours have access to, inspect, audit and make extracts from all of the records, files and books of account of DLT. DLT shall furnish the Banks (i) with monthly unaudited financial statements showing its financial condition and the results of its operations certified by a financial officer of DLT, (ii) within ninety days after the close of each of its fiscal years, with an audited financial statement showing its financial condition and the results of its operations for the period covered certified by Arthur Young & Company or other independent public accountants selected by DLT and satisfactory to the Banks, and (iii) with monthly agings of its accounts receivable certified by a financial officer of DLT. It appoints Walter S. Seidman, or any other person whom the Banks may designate as its attorney, with power to endorse its name on checks, notes, acceptances, money orders, drafts or other forms of payment or security that may come into their possession, to sign its name on drafts against customers, on notices of assignment and other public records in connection with the perfection of the security interest granted hereunder and on verification of accounts, and to send requests for verification of Receivables to customers or account debtors and, if default hereunder shall have occurred and shall not have been cured within the grace period specified, if any: to sign its name on any invoice or bill of lading relating to any Receivables and on notices to customers, to notify the post office authorities to change the address for delivery of its mail to an address designated by them, to receive, open and dispose of all mail addressed to it and to do all things necessary to carry out this agreement. DLT ratifies and approves all acts of said attorney authorized by the next preceding sentence. Neither the Banks nor the attorney will be liable for any acts or omissions, nor for any error of judgment or mistake of fact or law, except willful misconduct. This power being coupled with an interest is irrevocable so long as any Receivables assigned to the Banks or in which they have a security interest remain unpaid or until the Obligations have been fully satisfied, whichever shall first occur.

13. The term of this agreement shall be from the date hereof to January 31, 1968, and shall be automatically renewed for successive periods of one year unless terminated as follows:

DLT shall have the right to terminate on January 31, 1968 or at any time thereafter, by giving to the Banks sixty (60) days prior written notice; the Banks shall have the right to terminate at any time by giving to DLT sixty (60) days prior written notice. Such notice shall be given by registered or certified mail. In addition, the Banks shall have the right to terminate this agreement at any time upon written notice if there shall have occurred any of the following events of default: (a) if DLT shall fail to pay, on demand, any Obligation owing from it to the Banks; (b) if DLT shall commit any other breach of this Agreement as amended or supplemented which shall have continued unremedied for a period of seven (7) days after written notice thereof shall have been sent by registered mail to DLT; or (c) if DLT shall: (i) become insolvent, (ii) be unable to pay its respective debts as they mature, (iii) commit an act of bankruptcy, (iv) make an assignment for the benefit of creditors, (v) call a meeting of creditors for the composition of debts, (vi) fail to pay, when due, any sums owing under or pursuant to the Purchase Agreement, (vii) be in default under any other term or provision of the Purchase Agreement, (viii) make any material misrepresentation to the Banks in connection with this agreement or any transaction relating thereto, (ix) if there shall be filed by it a petition in bankruptcy or for reorganization or (x) if there shall be filed against it a petition in bankruptcy or for reorganization which shall remain undismissed for a period of sixty (60) days. Upon the effective date of termination of this agreement all of the Obligations of DLT to the Banks shall in any event become immediately due and payable. Notwithstanding any termination, until all of the Obligations of DLT to the Banks shall have been fully paid and satisfied, the Banks shall be entitled to retain their security interest in all existing and future Receivables, Inventory, machinery, equipment and other personal property and tangibles granted to them hereunder, and DLT shall continue to assign Receivables to the Banks and turn over all collections to them.

14. If DLT shall fail to pay, when due, any Obligation owing from it to the Banks, or upon the occurrence of an event of default as above defined, the Banks shall have in addition to all other rights provided herein, the following rights and remedies: (i) the rights and remedies of a secured party under the Uniform

Commercial Code and (ii) the right, without demand and without advertisement or notice (except as may be required by law), all of which are waived by DLT, at any time or times to sell and deliver any or all Receivables and any or all other security and collateral held by them, or in which they have a security interest, at public or private sale, for cash, upon credit or otherwise, at such prices and upon such terms as they deem advisable at their sole discretion. Any requirement of reasonable notice shall be met if such notice is mailed, postage prepaid, to DLT at its address as set forth herein, at least five (5) days before the time of sale or other disposition. The Banks may be the purchasers at any such sale if it is public, free from any right of redemption which DLT waives. The proceeds realized from the exercise of any rights under the Uniform Commercial Code and/or sale, shall be applied first to all costs and expenses of sale, including attorneys' fees, and second, to the payment (in whatever order the Banks select) of all Obligations. The Banks will return any excess to DLT and DLT shall remain liable to the Banks for any deficiency. Failure by the Banks to exercise any right, remedy or option under this agreement or any amendment thereof or supplement thereto, or delay by them in exercising the same, shall not operate as a waiver; no waiver by the Banks shall be effective unless in writing, and then only to the extent specifically stated. The rights and remedies of the Banks under this agreement shall be cumulative and not exclusive of any other right or remedy which they may have. The Banks and DLT waive right to a trial by jury in any litigation relating to transactions under this agreement.

15. The Banks shall not be restricted or limited in any way in exercising any of their rights and remedies hereunder except to the extent that DLT itself may be so restricted or limited, by the fact that any collateral held by them hereunder or in which they have a security interest has a label or labels affixed thereto, or is covered by any patent, trademark, copyright or license agreement. The Banks shall be free to exercise all such rights and remedies without liability, obligation or claim against them by DLT for the payment of royalties or license fees or for patent, trademark or copyright infringement. Any purchaser from the Banks shall take free of any such claim.

16. The minimum compensation which the Banks shall be entitled to receive hereunder for the period from the date hereof to January 31, 1968, shall be Four Hundred Fifty Thousand ($450,000) Dollars. In the event that the finance charges of the Banks hereunder, as provided for in paragraph 8 hereof, for said period shall be less than $450,000 DLT shall promptly pay to the Banks the difference between the total of said finance charges for said period and said sum of $450,000. DLT shall have no obligation to the Banks under this paragraph 16 in the event the Banks shall terminate this agreement prior to January 31, 1968 other than pursuant to the provisions of clause (b) or (c) of the third sentence of the second paragraph of paragraph 13 hereof.

17. This agreement is deemed to be made in the State of New York and shall be governed by and interpreted under and in accordance with the laws of the State of New York.

18. This agreement cannot be changed or terminated orally. All of the terms, conditions, promises, covenants, provisions and warranties of this agreement shall inure to the benefit of and shall be binding upon the parties hereto and their

respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by their respective duly authorized officers, and their corporate seals to be hereunto affixed, the day and year first above written.

FIRST NATIONAL CITY BANK
(Hubshman Factors Department)

Attest:

By: ______________________

Martin J Schwartz
Asst. Cashier

MANUFACTURERS HANOVER TRUST
COMPANY

Attest:

By: ______________________

____
Asst. Secretary

DE LUXE TOPPER CORPORATION

Attest:

By: Henry Orenstein

____
Secretary

P. EXH 511 for id
8/5/74 Sj

Agreement made this 16th day of February, 1967 between FIRST NATIONAL CITY BANK (HUBSHMAN FACTORS DEPARTMENT), a national banking corporation with its office at 90 Park Avenue, New York, New York, MANUFACTURERS HANOVER TRUST COMPANY, a New York banking corporation with an office at 350 Park Avenue, New York, New York (hereinafter referred to collectively as the "Banks"), and DE LUXE TOPPER CORPORATION, a Delaware corporation, with its principal office at 107 Trumbull Street, Elizabeth, New Jersey (hereinafter referred to as "D. L. T."), and HENRY ORENSTEIN (hereinafter referred to as "Orenstein")

WITNESSETH:

WHEREAS, the Banks and D.L.T. entered into a financing agreement dated October 4, 1966 under which the Banks agreed to advance moneys to D.L.T. from time to time upon the terms, conditions and security as therein provided and,

WHEREAS, under the terms of said financing agreement the Banks hold a security interest in all present and future accounts receivable, inventories and machinery and equipment, tools, dies, etc. of D.L.T. as security for all present and future obligations of D.L.T. to the Banks and,

WHEREAS, D.L.T. has represented that the loans available under the formula set forth in the aforesaid financing agreement will not be sufficient to meet its financial requirements and has requested the Banks to vary said formula and, WHEREAS, the Banks have refused to vary said formula except on the terms and conditions hereinafter provided for;

NOW, THEREFORE, in order to induce the Banks to vary said formula and for other good and valuable consideration, it is agreed as follows:

1. Orenstein will participate with the Banks in their financing agreement with D.L.T. to the extent of $500,000 upon the terms and conditions of a participation agreement bearing even date herewith.
2. D.L.T. will furnish the Banks with and maintain an insurance policy on the life of Orenstein in the amount of $5,000,000, assigned to Banks and with Banks named as beneficiaries.
3. As a condition precedent to this agreement becoming effective, there shall have been executed and delivered by D.L.T. and Extoy Corporation and agreed to by the Banks and Philadelphia and Reading Corporation a letter agreement substantially in the form of Exhibit A annexed hereto.
4. ✓ The finance charge of the Banks to D.L.T. of 1/38 of 1% per day upon the net debit balance of the loan account of D.L.T. as provided in paragraph 8 of the financing agreement of October 4, 1955 shall continue but the provision contained in said paragraph for adjustment of said charge based upon the

increase or decrease of the prime rate above or below six per cent per annum be and the same hereby is eliminated.

5. The Banks agree to continue to finance D.L.T. up to and including January 31, 1968 upon the terms and conditions of the financing agreement dated October 4, 1966 as specifically modified and amended by this agreement.

6. The formula for making advances set forth in paragraph 7 on page 20 of said financing agreement dated October 4, 1966 is hereby eliminated and in its place the following formula be and the same is hereby substituted, to wit:

"The Banks shall lend to D.L.T., at their discretion, amounts which may be available based upon the following aggregate loan values of the various forms of collateral in which the Banks now have a security interest which is a first lien or in which they may hereafter acquire such a security interest, to wit:

(a) Cash collateral on deposit with the Banks - 100%.

(b) Accounts Receivable - 80% of the face amount of Receivables which they deem eligible net of applicable discounts and less such reserves as they deem proper and necessary.

(c) Finished Goods Inventory - 50% of the cost or market value (whichever is lower) of finished goods inventory located in the State of New Jersey.

(d) Raw Materials Inventory - 50% of the cost or market value (whichever is lower) of selected raw materials located in the State of New Jersey which, in the sole discretion of the Banks, have a wide market such as plastic powders in original containers and motors.

(e) All Other Inventory - $1 00/100.

(f) Machinery, equipment, tools, dies, engineering drawings - Not to exceed $3,400,000 until July 31, 1967. On and after August 1, 1967, the following loan values shall be allocated to this collateral during the periods indicated, to wit:

August 1 to August 31, 1967 - $3,000,00
September 1 to September 30, 1967 - $2,300,00
October 1 to October 31, 1967 - $1,000,00
November 1 to November 30, 1967 - $100,00
After December 1, 1967 - $

In no event, however, shall the total indebtedness due to the Banks from D.L.T. by reason of such loans exceed $11,250,000 at any one time outstanding."

7. Paragraph 9 of said financing agreement is hereby amended to read as follows:

"9. Until D.L.T. shall have repaid to the Banks all moneys advanced by them up to January 31, 1968, D.L.T. shall not, without the prior written consent of the Banks, make any optional or voluntary prepayment of (a) any part of the Nineteen Million ($19,000,000) Dollars or Eight Million ($8,000,000) Dollars subordinated promissory notes (as the same may be modified or amended with the consent of the Banks), or of any other sums advanced by De Luxe Reading Corporation to D.L.T., which notes and advances are provided for in the purchase agreement among De Luxe Reading Corporation, D.L.T. and Philadelphia and Reading Corporation dated as of the 1st day of October, 1966 (herein called the "Purchase Agreement") or (b) any part of any note issued in payment or substitution of the notes or any part thereof described in (a) above."

8. Except as herein specifically amended, all other terms and conditions of the aforesaid financing agreement dated October 4, 1966 and any other agreements or documents executed in connection therewith shall remain in full force and effect.

9. The agreement by the Banks to continue the financing of D.L.T. upon the terms above set forth is conditioned upon the substantial adherence by D.L.T. to the projection, dated January 11, 1957, of sales and expenditures for the year 1957 which D.L.T. has furnished to the Banks.

This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed, all as and of the day and year first above written.

FIRST NATIONAL CITY BANK
(Hubshman Factors Department)

By ______________________
Vice President

MANUFACTURERS HANOVER TRUST COMPANY

By ______________________
Vice President

DE LUXE TOPPER CORPORATION

By ______________________
EXECUTIVE VICE PRESIDENT

Henry Orenstein
____
Henry Orenstein

A 2841

P. EXH

512 for id
8/5/74

Agreement made this 28th day of December between First National City Bank (Hubshman Factors Department) a national banking corporation with its office at 90 Park Avenue, New York, New York, Manufacturers Hanover Trust Company, a New York banking corporation with an office at 350 Park Avenue, New York, New York (hereinafter referred to collectively as the "Banks") and De Luxe Topper Corporation, a Delaware corporation with its principal office at 107 Trumbull Street, Elizabeth, New Jersey (hereinafter referred to as "D. L. T.").

WITNESSETH

WHEREAS, the Banks and D. L. T. entered into a financing agreement dated October 4, 1966 under which the Banks agreed to advance moneys to D. L. T. from Time to time upon the terms, conditions and security as therein provided, and

WHEREAS, under the terms of said financing agreement the Banks hold a security interest in all present and future accounts receivable, inventories and machinery and equipment, tools, dies, etc. of D. L. T. as security for all present and future obligations of D. L. T. to the Banks, and

WHEREAS, by agreement dated February 16, 1967, said financing agreement of October 4, 1966 was amended in certain respects more specifically set forth in said amendatory agreement, and

WHEREAS, D. L. T. has requested the Banks to continue to finance D. L. T. up to and including January 31, 1969 upon the terms and conditions of the financing agreement of October 4, 1966 as modified by the Agreement of February 16, 1967 and

WHEREAS, the Banks have agreed to do so upon the terms and conditions hereinafter provided for;

NOW, THEREFORE, in order to induce the Banks to continue to finance D. L. T. up to and including January 31, 1969 and for other good and valuable consideration, it is agreed as follows:

1. As conditions precedent to this agreement becoming effective the following must have been accomplished, to wit::

   (a) D. L. T. shall have caused Henry Orenstein and other parties satisfactory to the Banks to participate with the Banks in their financing agreement with D. L. T.

Such participations shall aggregate not less than $1,560,000 and shall be junior to the interest of the Banks. Each such participant shall execute a participation agreement containing substantially the same terms and conditions as are contained in the participation agreement heretofore executed by Henry Orenstein dated February 16, 1967 except that the earnings and income of each participant shall be an amount equal to 7.65% per annum on the amount of their respective participations instead of 6% per annum as provided in the aforesaid participation agreement executed by Henry Orenstein.

(b) Extoy Corporation (a subsidiary of Philadelphia and Reading Corporation) shall have legally and effectively cancelled the principal indebtedness of $19,000,000 plus accrued interest due to it from D.L.T. evidenced by a 6% subordinated promissory note of D.L.T.

(c) Extoy Corporation shall have agreed in writing to extend beyond March 1, 1969 the time for repayment of the promissory note in the amount of $8,000,000 executed by D.L.T. payable to Extoy Corporation. Extoy Corporation shall have further agreed in writing to accept $600,000 on account of the interest payment of $851,055.32 which became due on said note on December 20, 1967 and to accept the payment of the balance of $251,055.32 in equal monthly installments of $62,763.83 each during the months of August, September, October and November, 1968. Extoy Corporation shall have also executed and delivered to the Banks its written agreement to continue to subordinate the principal of said $8,000,000 note to all obligations due from D.L.T. to the Banks. Said subordination shall be in substantially the same form as the subordination previously executed by Extoy Corporation.

2. D.L.T. represents to the Banks that Arthur Young & Company will audit its books as of December 31, 1967 and that the certified statement prepared by Arthur Young & Company as of that date will show substantially the same Balance Sheet and Profit & Loss Statement set forth on pages 1 and 2 of the "Preliminary Projections of Operations (1967-1968)" submitted by D.L.T. to the Banks. Said Arthur Young & Company certified statement will be delivered

to the Banks on or before April 1, 1968. D.L.T. acknowledges that the Banks are relying on the truth of such representation in executing this agreement.

3. The Banks agree to continue to finance D.L.T. up to and including January 31, 1969 upon the terms and conditions of the financing agreement of October 4, 1966 as amended by the agreement of February 16, 1967 and as specifically modified and amended by this agreement.

4. The formula for making advances set forth in paragraph 6 on page 3 of the agreement dated February 16, 1967 (which amended the financing agreement of October 4, 1966) is hereby eliminated and in its place the following formula is hereby substituted, to wit:

> "The Banks shall lend to D.L.T., at their discretion, amounts which may be available based upon the following aggregate loan values of the various forms of collateral in which the Banks now have a security interest which is a first lien or in which they may hereafter acquire such a security interest, to wit:
>
> (a) Cash Collateral on deposit with the Banks - 100%
>
> (b) Accounts Receivable - 80% of the face amount of Receivables which they deem eligible net of applicable discounts less such reserves as they deem proper and necessary.
>
> (c) Finished Goods Inventory located in the State of New Jersey and selected raw materials inventory located in the State of New Jersey which, in the sole discretion of the Banks, have a wide market such as plastic powders in original containers and motors. Fifty per cent of the cost or market value (whichever is lower). However, in no event shall the loan value allocated to this collateral exceed the amounts listed in the periods indicated, to wit:

Feb. 1, 1968 to Feb. 29, 1968	$ 700,000
Mar. 1, 1968 to Mar. 31, 1968	750,000
Apr. 1, 1968 to Apr. 30, 1968	800,000
May 1, 1968 to May 31, 1968	900,000

June 1, 1968 to June 30, 1968	$ 900,000
July 1, 1968 to July 31, 1968	1,050,000
Aug. 1, 1968 to Aug. 31, 1968	1,000,000
Sept. 1, 1968 to Sept. 30, 1968	980,000
Oct. 1, 1968 to Oct. 31, 1968	1
Nov. 1, 1968 to Nov. 30, 1968	1
Dec. 1, 1968 to Dec. 31, 1968	700,000
Jan. 1, 1969 to Jan. 31, 1969	290,000

(d) Machinery, equipment, tools, dies, engineering drawings. The following loan values shall be allocated to this collateral during the periods indicated, to wit:

Feb. 1, 1968 to Feb. 28, 1968	$1,935.000
Mar. 1, 1968 to Mar. 31, 1968	1,970,000
Apr. 1, 1968 to Apr. 30, 1968	1,480,000
May 1, 1968 to May 31, 1968	1,330,000
June 1, 1968 to June 30, 1968	1,330,000
July 1, 1968 to July 31, 1968	590,000
Aug. 1, 1968 to Aug. 31, 1968	200,000
Sept. 1, 1968 to Sept. 30, 1968	1
Oct. 1, 1968 to Oct. 31, 1968	1
Nov. 1, 1968 to Nov. 30, 1968	1
Dec. 1, 1968 to Dec. 31, 1968	1
Jan. 1, 1969 to Jan. 31, 1969	1

In no event, however, shall the total indebtedness due to the Banks from D.L.T. by reason of such loans exceed $8,000,000 at any one time outstanding."

5. Paragraph 9 of said financing agreement, as amended, is hereby amended to read as follows:

"9. Until D.L.T. shall have repaid to the Banks all moneys advanced by them up to January 31, 1969, D.L.T. shall not, without the prior written consent of the Banks, make any optional or voluntary prepayment of any part of the Eight Million ($8,000,000) Dollars subordinated promissory note (as the same may be modified or amended with the consent of the Banks) dated December 20, 1967 payable to the order of Extoy Corporation."

6. Paragraphs 1, 3, 5, 8 and 9 of the agreement of February 16, 1967 are hereby eliminated.

7. Except as herein specifically amended, all other terms and conditions of the aforesaid financing agreement dated October 4, 1966 as amended by the agreement of February 16, 1967 and any other agreements or documents executed in connection therewith shall remain in full force and effect.

8. The agreement by the Banks to continue the financing of D.L.T. upon the terms above set forth is conditioned upon the substantial adherence by D.L.T. to the projection of sales and expenditures for the year 1968 which D.L.T. has furnished to the Bank.

This agreement shall be construed in accordance with and governed by the laws of the State of New York.

. IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed, all as and of the day and year first above written.

FIRST NATIONAL CITY BANK
(Hubshman Factors Department)

By____________________

MANUFACTURERS HANOVER TRUST COMPANY

By____________________

DE LUXE TOPPER CORPORATION

By Henry Orenstein
Pres

A 2846

P. EXH 513 for.d

8/5/74

December 28, 1967

Mr. Henry Orenstein
107 Trumbull Street
Elizabeth, New Jersey

Dear Sir:

On October 4, 1966, the undersigned, Manufacturers Hanover Trust Company and First National City Bank (Hubshman Factors Department), entered into a financing agreement with De Luxe Topper Corporation (hereinafter designated as the "Borrower"). Said financing agreement was amended by an agreement dated February 16, 1967 and was further amended by an agreement bearing even date herewith. The term "financing agreement" as used herein includes the financing agreement as so amended and all future amendments, supplements and modifications thereof.

Under the terms of said financing agreement First National City Bank was designated agent to make all advances to the Borrower, accept all collections and receive all collateral, and the Borrower is authorized to deal with First National City Bank with the same force and effect as it were the sole Lender thereunder.

Each of the undersigned Banks had a 50% interest in the financing agreement with the Borrower and all the collateral then or thereafter acquired as security for the obligations of the Borrower under said financing agreement.

This will confirm your participation with the undersigned in said financing agreement, the transactions in pursuance thereof, the security interests and the collateral held or which may hereafter be held thereunder.

We hereby sell to you without recourse and you purchase from us a $550,000 junior participation in said financing agreement, security interests, collateral and transactions. Your participation shall be a continuing undivided interest to the extent of said sum and shall at all times be subordinate to the senior participations of the undersigned Banks. Said $550,000 participation shall be charged in equal shares to the participations of the undersigned Banks. You shall not be entitled to receive any sums in reduction or satisfaction of said junior participation interest unless and until the senior participations of the undersigned Banks, including all expenses which are chargeable to said senior participations, shall have been fully paid and satisfied; thereafter, there shall be distributed to you in reduction and satisfaction of your junior participation interest your proportionate share of all sums received by said First National City Bank in respect of the financing agreement within a reasonable time after receipt of same by said First National City Bank. All junior participants shall be entitled to share ratably in the moneys available after payment in full of the senior participations of the undersigned.

The agency of First National City Bank to act as agent for all participants and to conduct in its name all of the transactions pursuant to said financing agreement is hereby ratified and confirmed by you. Said First National City Bank shall continue to manage and conduct said transactions and to deal with the collateral under the financing agreement and the collections received under said agreement in the same manner as heretofore and as set out in said financing agreement and in the participation agreement between the undersigned Banks.

Out of the income received under said financing agreement, you shall be paid as your sole earnings and income on your participation an amount equal to 7.65% per annum on said sum of $550,000. Such payment of income on your participation shall be distributed to you each month within two business days after receipt of same by said First National City Bank from the Borrower. In the event there is a deficiency in the income received under said financing agreement, the interest on the senior participations shall be paid in full before you shall be entitled to your proportionate share of any income or return on your junior participation.

The undersigned shall have the right, without your consent, to modify, amend or supplement the financing agreement as they may in their sole discretion deem advisable; provided, however, that the undersigned shall not release or discharge the Borrower or any of the collateral held under said financing agreement without your written consent.

Neither of the undersigned shall be liable to you for any act taken or omitted or for any mistake, omission or error in judgment except for their own bad faith or gross negligence. Neither of the undersigned assumes nor shall have any responsibility express or implied for the collectibility, genuineness or validity of the financing agreement, any transactions in pursuance thereof or any collateral held thereunder or the financial condition of the Borrower.

The undersigned shall have the sole and exclusive right in their discretion to declare a default under the financing agreement and to determine the manner of liquidating the collateral held thereunder.

You shall not sell, pledge, assign, sub-participate or otherwise transfer your participation or any of your rights under this agreement. You shall not have the right to terminate your junior participation herein provided for without the prior written consent of the undersigned unless and until the senior participations of the undersigned, including the expenses hereinabove provided for, shall have been paid in full.

This agreement is without prejudice to and shall not affect any of the terms or conditions of the participation agreement between the undersigned Banks or any of the rights or obligations therein provided for.

Receipt from you of the sum of $550,000 as the purchase price for the aforesaid junior participation is hereby acknowledged.

We reserve the right to sell and issue additional junior participations in our sole discretion.

This agreement has been executed in the City and State of New York and shall be governed by the laws of New York. It may not be amended or modified orally and shall bind our respective legal representatives, successors and assigns.

We would appreciate your signing our copy of this letter at the space provided therefor to signify your agreement.

Very truly yours,

MANUFACTURERS HANOVER TRUST COMPANY

By____________________

FIRST NATIONAL CITY BANK
(Hubshman Factors Department)

By____________________

I hereby agree to all the terms and conditions set forth in the foregoing letter

Henry Orenstein
Henry Orenstein
Pres.

A 2849

P. EXH 520

JUNIOR PARTICIPATION NO. 3

February 27, 1968

Carter, Berlind & Weill, Inc.
55 Broad Street
New York, New York

Dear Sirs:

On October 4, 1966, the undersigned, Manufacturers Hanover Trust Company and First National City Bank (Hubshman Factors Department), entered into a financing agreement with De Luxe Topper Corporation (hereinafter designated as the "Borrower"). Said financing agreement was amended by an agreement dated February 16, 1967 and was further amended by an agreement dated December 28, 1967. The term "financing agreement" as used herein includes the financing agreement as so amended and all future amendments, supplements and modifications thereof.

Under the terms of said financing agreement First National City Bank was designated agent to make all advances to the Borrower, accept all collections and receive all collateral, and the Borrower is authorized to deal with First National City Bank with the same force and effect as it were the sole Lender thereunder.

Each of the undersigned Banks had a 50% interest in the financing agreement with the Borrower and all the collateral then or thereafter acquired as security for the obligations of the Borrower under said financing agreement.

This will confirm your participation with the undersigned in said financing agreement, the transactions in pursuance thereof, the security interests and the collateral held or which may hereafter be held thereunder.

We hereby sell to you without recourse and you purchase from us a $400,000 junior participation in said financing agreement, security interests, collateral and transactions. Your participation shall be a continuing undivided interest to the extent of said sum and shall at all times be subordinate to the senior participations of the undersigned Banks. Said $400,000 participation shall be charged in equal shares to the participations of the undersigned Banks. You shall not be entitled to receive any sums in reduction or satisfaction of said junior participation interest unless and until the senior participations of the undersigned Banks, including all expenses which are chargeable to said senior participations, shall have been fully paid and satisfied; thereafter, there shall be distributed to you in reduction and satisfaction of your junior participation interest your proportionate share of all sums received by said First National City Bank in respect of the financing agreement within a reasonable time after receipt of same by said First National City Bank. All junior participants shall be entitled to share ratably in the moneys available after payment in full of the senior participations of the undersigned.

The agency of First National City Bank to act as agent for all participants and to conduct in its name all of the transactions pursuant to said financing agreement is hereby ratified and confirmed by you. Said First National City Bank shall continue to manage and conduct said transactions and to deal with the collateral under the financing agreement and the collections received under said agreement in the same manner as heretofore and as set out in said financing agreement and in the participation agreement between the undersigned Banks.

Out of the income received under said financing agreement, you shall be paid as your sole earnings and income on your participation an amount equal to 7.65% per annum on said sum of $400,000. Such payment of income on your participation shall be distributed to you each month within two business days after receipt of same by said First National City Bank from the Borrower. In the event there is a deficiency in the income received under said financing agreement, the interest on the senior participations shall be paid in full before you shall be entitled to your proportionate share of any income or return on your junior participation.

The undersigned shall have the right, without your consent, to modify, amend or supplement the financing agreement as they may in their sole discretion deem advisable; provided, however, that the undersigned shall not release or discharge the Borrower or any of the collateral held under said financing agreement without your written consent.

Neither of the undersigned shall be liable to you for any act taken or omitted or for any mistake, omission or error in judgment except for their own bad faith or gross negligence. Neither of the undersigned assumes nor shall have any responsibility express or implied for the collectibility, genuineness or validity of the financing agreement, any transactions in pursuance thereof or any collateral held thereunder or the financial condition of the Borrower.

The undersigned shall have the sole and exclusive right in their discretion to declare a default under the financing agreement and to determine the manner of liquidating the collateral held thereunder.

A 2851

You shall not sell, pledge, assign or otherwise transfer your participation or any of your rights under this agreement; provided, however, that you may sub-participate the junior participation evidenced by this agreement. In the event of any such sub-participation: (i) neither of the undersigned shall have any liability whatsoever to any such sub-participants; (ii) no such sub-participants shall have any rights of any kind against either of the undersigned; and (iii) any payment by either of the undersigned to you shall constitute a complete discharge of the undersigned with respect to such payment and neither of the undersigned shall have any liability of any kind whatsoever to any sub-participants in connection with any such payment. You shall not have the right to terminate your junior participation herein provided for without the prior written consent of the undersigned unless and until the senior participations of the undersigned, including the expenses hereinabove provided for, shall have been paid in full.

This agreement is without prejudice to and shall not affect any of the terms or conditions of the participation agreement between the undersigned Banks or any of the rights or obligations therein provided for.

Receipt from you of the sum of $ 400,000 as the purchase price for the aforesaid junior participation is hereby acknowledged.

We reserve the right to sell and issue additional junior participations in our sole discretion.

This agreement has been executed in the City and State of New York and shall be governed by the laws of New York. It may not be amended or modified orally and shall bind our respective legal representatives, successors and assign.

We would appreciate your signing our copy of this letter at the space provided therefor to signify your agreement.

Very truly yours,

MANUFACTURERS HANOVER TRUST COMPANY

By ________________________

FIRST NATIONAL CITY BANK
(Hubshman Factors Department)

By ________________________

We hereby agree to all
the terms and conditions
set forth in the fore-
going letter.

CARTER, BERLIND & WEILL, INC.

By ________________________

A 2852

P. EXH 521 for.
8/1/74 [illegible]

February 27, 1968

First National City Bank
(Hubshman Factors Department)
90 Park Avenue
New York, New York

Gentlemen:

We are delivering to you herewith certain checks aggregating $400,000 (copies of which are attached hereto) in payment of the purchase price of Junior Participation No. 3 which we are acquiring from you today.

We represent and warrant that such checks have been received by us in payment of sub-participations in said Junior Participation No. 3 and that we are authorized to deliver such checks to you.

Very truly yours,

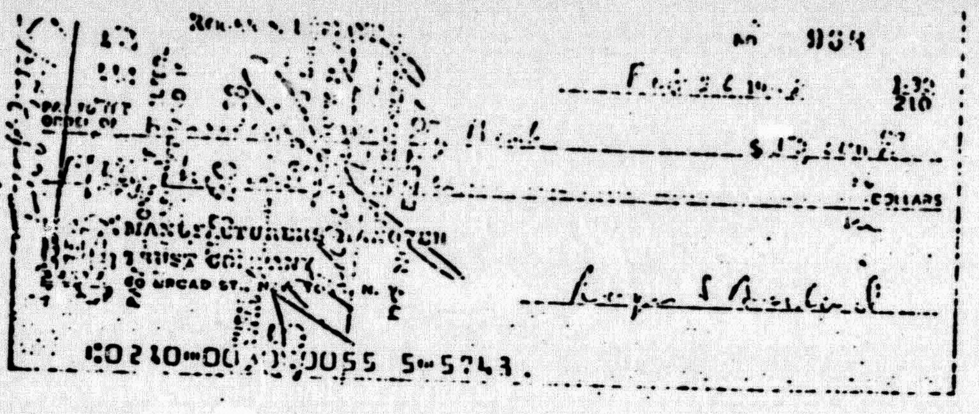
CARTER, BERLIND & WEILL, INC.

By ______________________
Chairman of the Executive Committee

Receipt of the foregoing
checks is hereby acknowledged,
said checks being accepted
subject to collection.

FIRST NATIONAL CITY BANK

By ______________________
Vice President



No 938

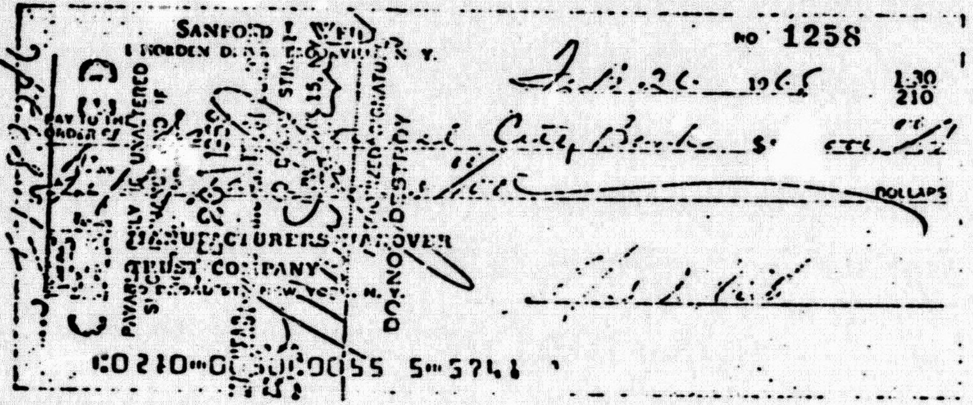
1-30/210

$

DOLLARS

MANUFACTURERS HANOVER TRUST COMPANY
60 BROAD ST., NEW YORK, N.Y.

⑆0210⑉00[illegible]0055 5⑈5743



SANFORD L. WEIL
1 NORDEN D[illegible] N.Y.

NO 1258

Feb 26 1968

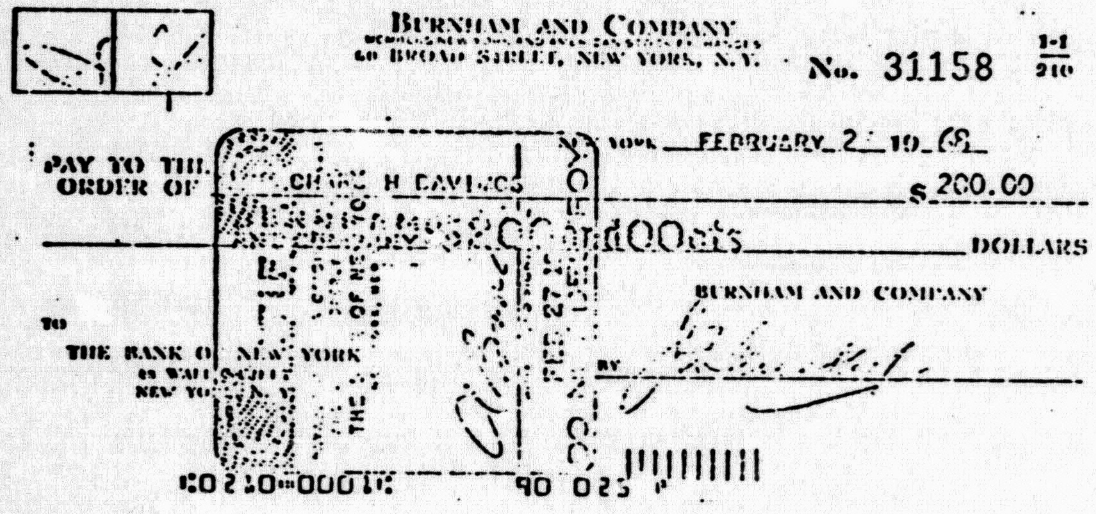
1-30/210

PAY TO THE ORDER OF [illegible] City Bank $

DOLLARS

MANUFACTURERS HANOVER TRUST COMPANY
60 BROAD ST., NEW YORK, N.Y.

⑆0210⑉0[illegible]0055 5⑈5741



BURNHAM AND COMPANY
60 BROAD STREET, NEW YORK, N.Y.

No. 31158

1-1/210

NEW YORK FEBRUARY 2 19 68

PAY TO THE ORDER OF CH[illegible] H DAVI[illegible] $200.00

$200 and 00 cts DOLLARS

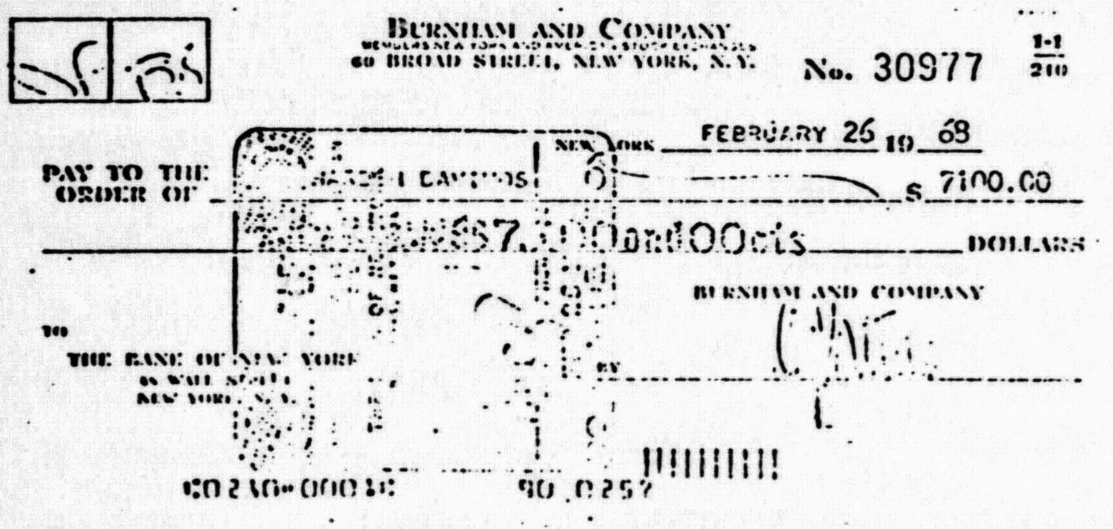
BURNHAM AND COMPANY

TO
THE BANK OF NEW YORK
48 WALL STREET
NEW YORK, N.Y.

BY

FEB 27 1968

⑆0210⑉0001⑆ 90 025



BURNHAM AND COMPANY
60 BROAD STREET, NEW YORK, N.Y.

No. 30977

1-1/210

NEW YORK FEBRUARY 26 19 68

PAY TO THE ORDER OF [illegible] I DAVI[illegible]S $7100.00

$7100 and 00 cts DOLLARS

BURNHAM AND COMPANY

TO
THE BANK OF NEW YORK
48 WALL STREET
NEW YORK, N.Y.

BY

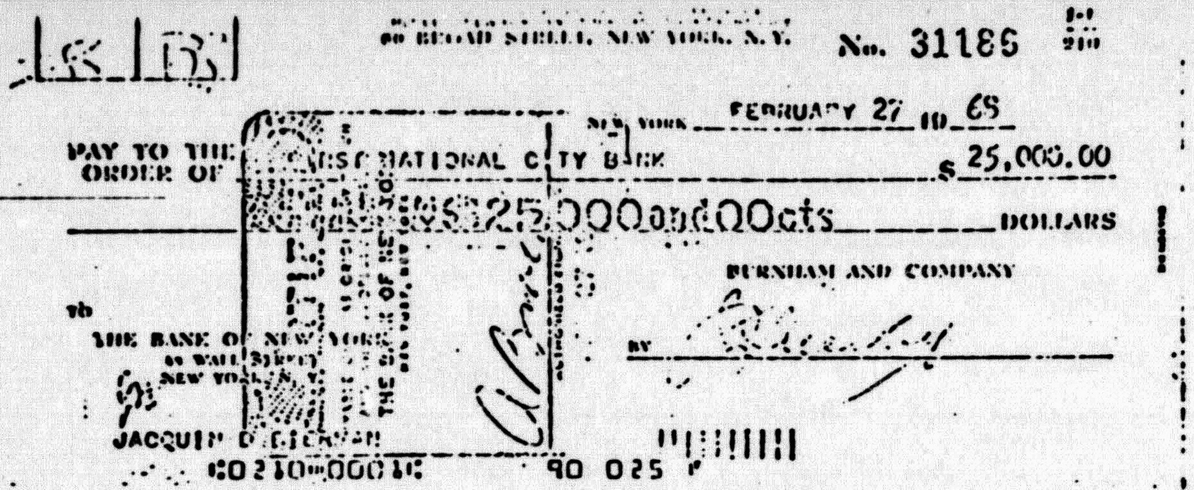
⑆0210⑉0001⑆ 90 0257

A 2853

A 2854

Pay to the order
First National City
Bank

Pay to the Or
of
First National City
Bank



60 BROAD STREET, NEW YORK, N.Y. **No. 31185** 1-1/210

NEW YORK FEBRUARY 27 19 68

PAY TO THE ORDER OF FIRST NATIONAL CITY BANK $25,000.00

$25,000and00cts DOLLARS

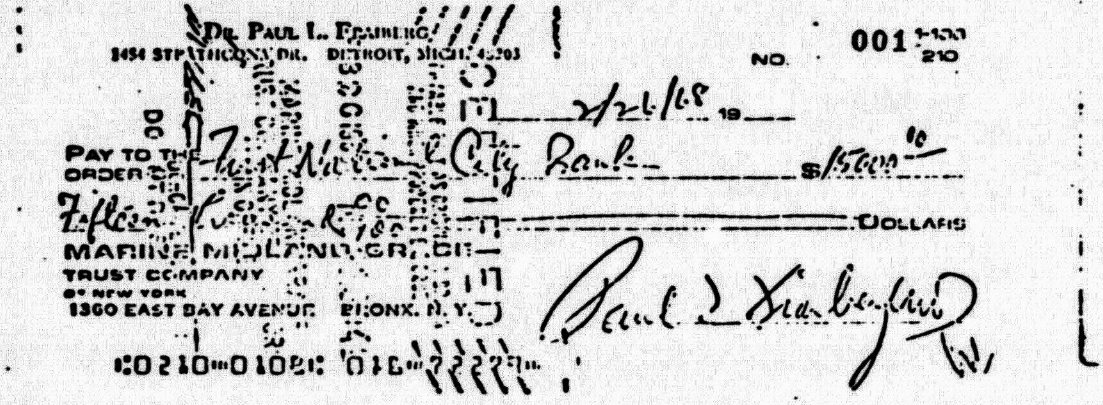
BURNHAM AND COMPANY

BY

TO THE BANK OF NEW YORK
60 WALL STREET
NEW YORK, N.Y.

JACQUIN D. BICKMAN

⑆0210⑈0001⑆ 90 025 ⑈



DR. PAUL L. FRAIBERG
1454 STRATHCONA DR. DETROIT, MICH. 48203

NO. 001 1-100/210

2/26/68 19

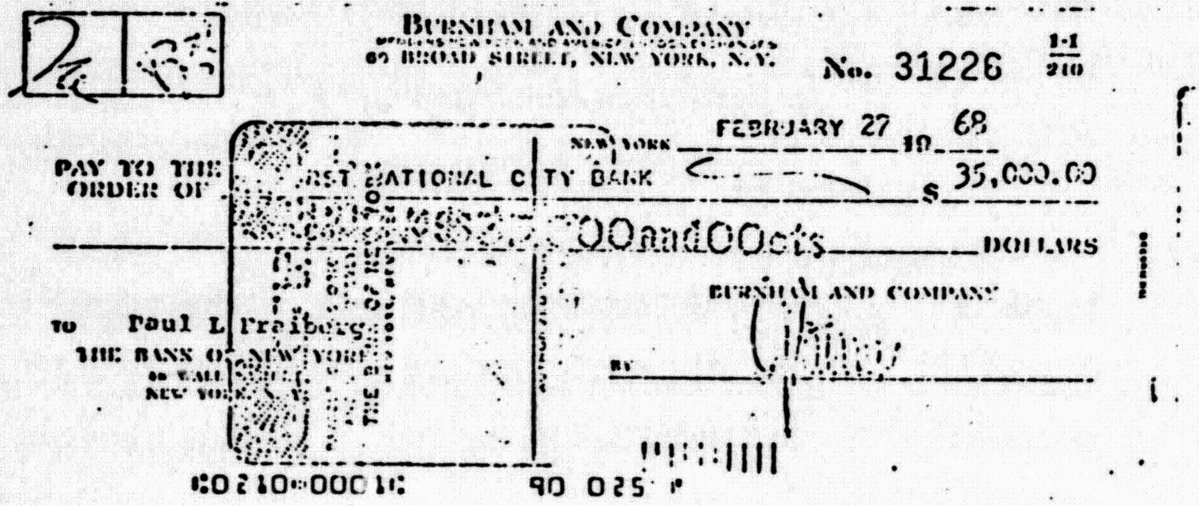
PAY TO THE ORDER OF First National City Bank $15000.00

Fifteen thousand 00/100 DOLLARS

MARINE MIDLAND GRACE TRUST COMPANY OF NEW YORK
1360 EAST BAY AVENUE BRONX, N.Y.

Paul L Fraiberg

⑆0210⑈0108⑆ 016⑈72222⑈



BURNHAM AND COMPANY
60 BROAD STREET, NEW YORK, N.Y. **No. 31226** 1-1/210

NEW YORK FEBRUARY 27 19 68

PAY TO THE ORDER OF FIRST NATIONAL CITY BANK $35,000.00

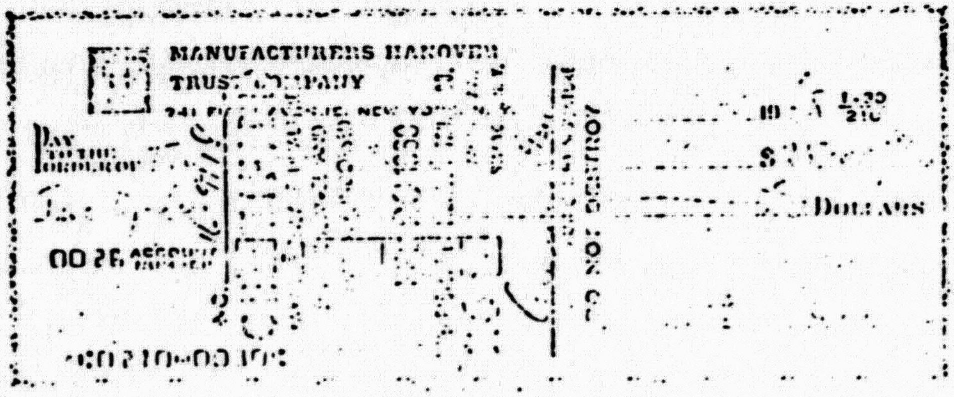
$35,000and00cts DOLLARS

BURNHAM AND COMPANY

BY

TO Paul L Fraiberg
THE BANK OF NEW YORK
60 WALL STREET
NEW YORK, N.Y.

⑆0210⑈0001⑆ 90 025 ⑈



MANUFACTURERS HANOVER TRUST COMPANY
341 FIFTH AVENUE, NEW YORK, N.Y.

19 1-30/210

PAY TO THE ORDER OF $

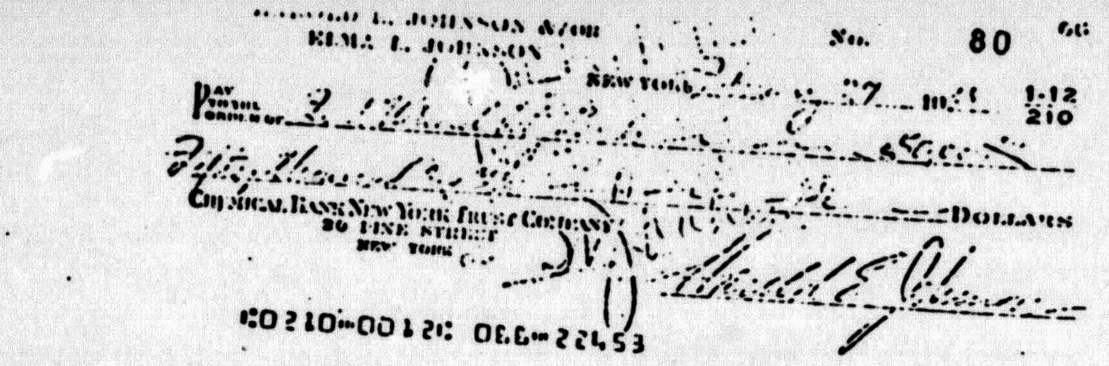
DOLLARS

DO NOT DESTROY

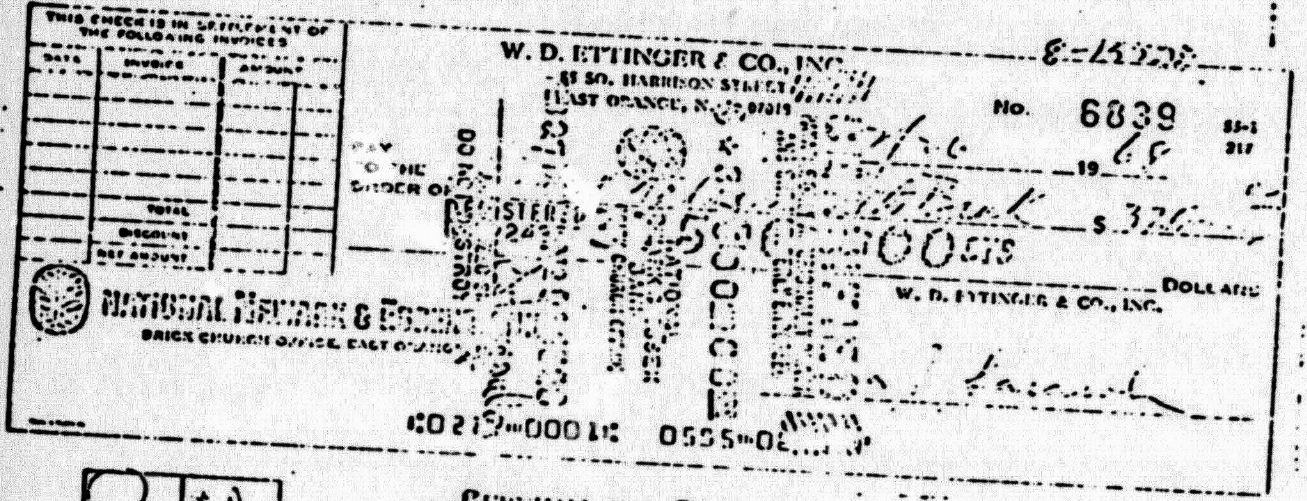
⑆0210⑈0030⑆

A 2855

A 2653



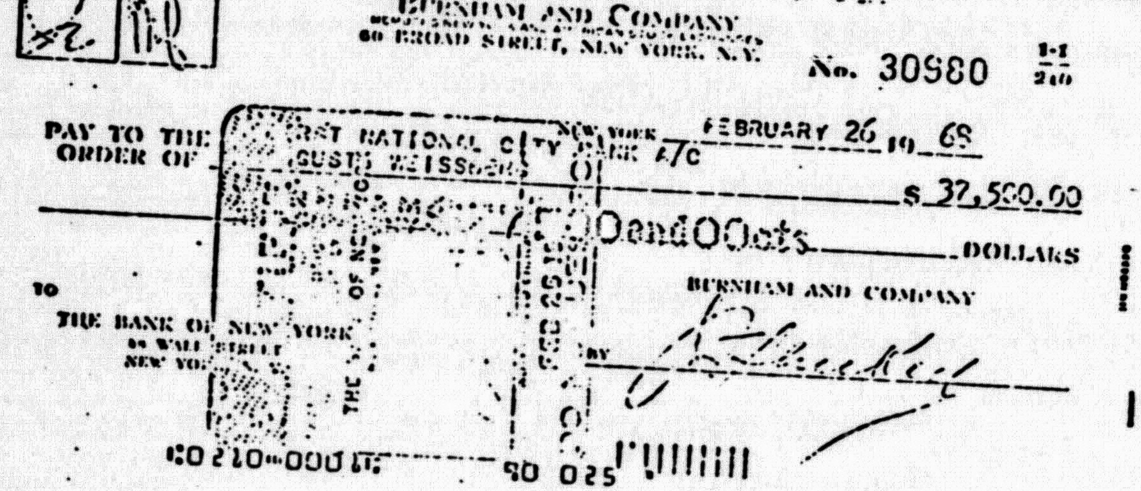
L. JOHNSON &/OR
ELMA L. JOHNSON
No. 80
NEW YORK 27 19
1-12
210
PAY TO THE ORDER OF
$ 50
Fifty thousand
CHEMICAL BANK NEW YORK TRUST COMPANY
20 PINE STREET
NEW YORK
DOLLARS
⑆0210⑉0012⑆ 066⑉22453



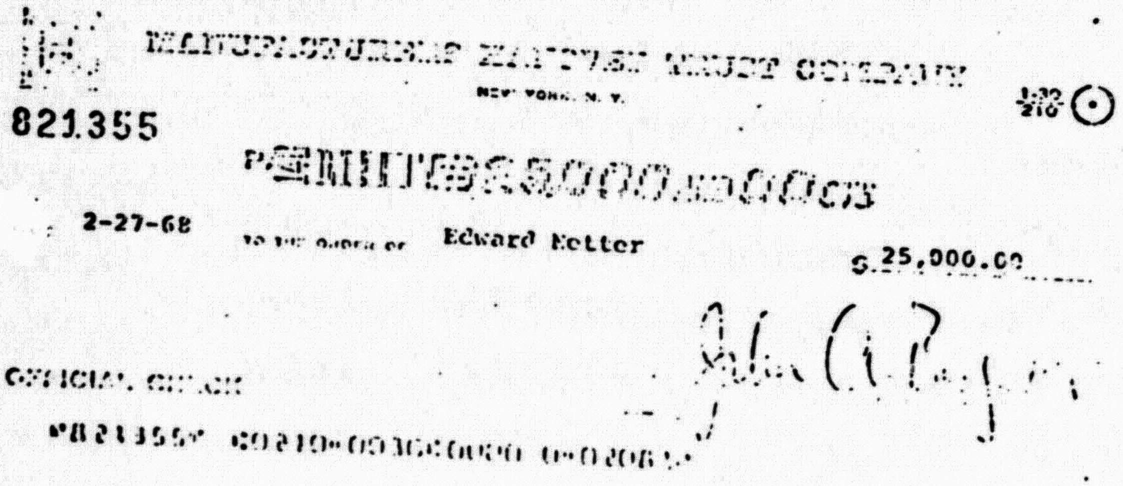
THIS CHECK IS IN SETTLEMENT OF THE FOLLOWING INVOICES

DATE	INVOICE	AMOUNT
	TOTAL	
	DISCOUNT	
	NET AMOUNT	

W. D. ETTINGER & CO., INC.
85 SO. HARRISON STREET
EAST ORANGE, N.J. 07019
No. 6839
55-1
212
PAY TO THE ORDER OF
19 68
$ 326
00cts
DOLLARS
W. D. ETTINGER & CO., INC.
NATIONAL NEWARK & ESSEX
BRICK CHURCH OFFICE, EAST ORANGE
REGISTER
⑆0212⑉0001⑆ 0555⑉0

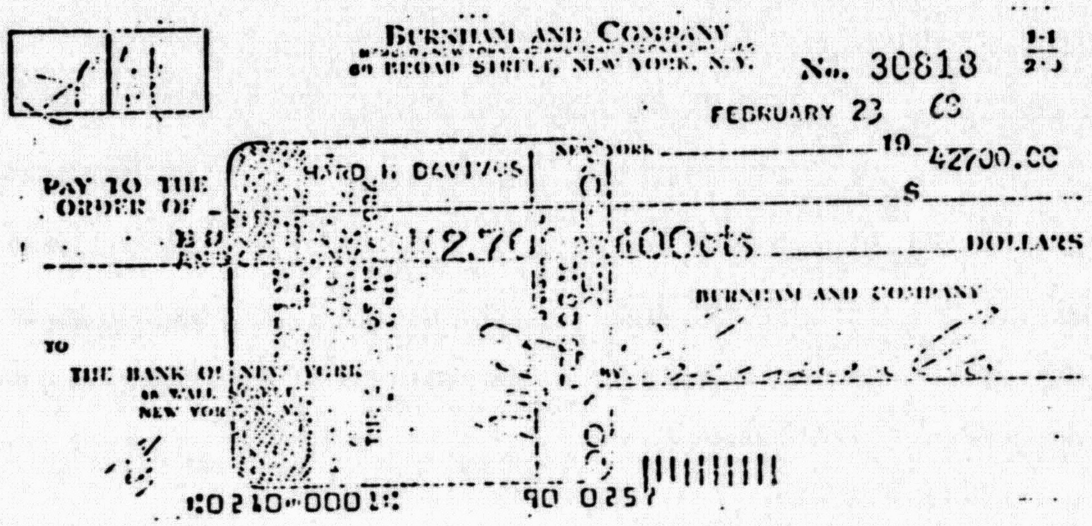


BURNHAM AND COMPANY
60 BROAD STREET, NEW YORK, N.Y.
No. 30980
1-1
210
PAY TO THE ORDER OF
NEW YORK FEBRUARY 26 19 68
RST NATIONAL CITY BANK A/C
GUSTI WEISSBERG
$ 37,500.00
00 and 00 cts
DOLLARS
TO
THE BANK OF NEW YORK
48 WALL STREET
NEW YORK, N.Y.
BURNHAM AND COMPANY
BY
⑆0210⑉0001⑆ 90 025



MANUFACTURERS HANOVER TRUST COMPANY
NEW YORK, N.Y.
1-88
210
821355
25000 00cts
2-27-68
TO THE ORDER OF Edward Kotter
$ 25,000.00
OFFICIAL CHECK
⑈821355⑈ ⑆0210⑉0030⑆ 0⑉0206

A 2857



BURNHAM AND COMPANY
60 BROAD STREET, NEW YORK, N.Y.

No. 30818 $\frac{1-1}{2-5}$

NEW YORK FEBRUARY 23 19 63

$ 42700.00

PAY TO THE ORDER OF HARD L DAVIES

BU[illegible] 42.70[illegible] 00cts DOLLARS

BURNHAM AND COMPANY

BY [illegible] & Co.

TO
THE BANK OF NEW YORK
48 WALL STREET
NEW YORK, N.Y.

0210-0001: 90 0257

A 2858

Pay to the Order
of
FIRST National City
Bank

A 2859

A 2860

P. EXH 522 for
[illegible]
8/5/74

De Luxe Topper Corporation
107 Trumbull Street
Elizabeth, New Jersey 07206

February 27, 1968

Carter, Berlind & Weill, Inc.
55 Broad Street
New York, New York

Attention: Messrs. Roger Berlind and
Sanford Weill

Gentlemen:

With reference to our discussions concerning your interest in assisting us to make certain arrangements for our financing, we are setting forth below our understanding of the proposed arrangement between us.

As you know, De Luxe Topper has entered into a financing arrangement with First National City Bank (Hubshman Factors Department) and Manufacturers Hanover Trust Company as of October 4, 1966 (Exhibit A attached hereto) and as amended February 16, 1967 and December 28, 1967 (Exhibits A-1 and B, respectively, attached hereto). Pursuant to Exhibit B and a subsequent letter agreement (Exhibit C attached hereto), we were required (under Exhibit B) to introduce $1,560,000 in junior participations with the banks and are permitted (under Exhibit C) to introduce an additional $1,000,000 in such junior participations.

We have completed the arrangements for the $1,560,000 in junior participations and have advised you that we would be interested in arranging an additional participation with the banks through you for an amount not to exceed $700,000.

This $700,000, if taken down, will be junior to the banks; will be senior to the $1,300,000 already taken down by Henry and Marrius Orenstein; and will be pari passu with the $260,000 junior participation taken down by Seymour Orenstein (with respect to $60,000 as nominee for purchasers of sub-participations). The form and terms of the junior participation agreement with the banks are reflected in Exhibit D attached hereto. In the event that sub-participations in the additional $700,000 participation are sold, the form of sub-participation that will be used is attached hereto as Exhibit E. Parenthetically up to $40,000 of the $260,000 junior participation taken down by Seymour Orenstein may be repurchased by the banks.

In order to effect the priorities and distribution arrangements of the various junior participations, we have entered into a Distribution Agreement (Exhibit F attached hereto) which directs Bankers Trust Company to make distribution of the proceeds of the junior participations in accordance with a schedule provided by us in the form of Exhibit A to the Distribution Agreement. (This schedule will, of course, be revised to reflect the additional $700,000 participation or sub-participations, as the case may be.)

First National City Bank and Manufacturers Hanover Trust Company have been directed to pay the proceeds to Bankers Trust pursuant to Exhibit G which will, of course, have to be revised by the three present participants [illegible]d the fourth junior participant representing the $700,000.

The junior participants will receive interest at the rate of 7.65% per annum. They will also be entitled to purchase for investment (with appropriate written representations) our shares, at their $1 par value, on the basis of 1% of the common stock of De Luxe Topper Corporation to be outstanding immediately after the issuance of the shares so purchased, for each $150,000 of junior participation, with appropriate adjustment in cases where the amount purchased is not evenly divisible by $150,000 (e.g. if a person purchases $200,000 he will be entitled to a number of shares equal to 1-1/3% of the outstanding). It is understood that if the junior participants are not repaid by March 31, 1969, the company will permit them to purchase for investment (with appropriate written representations) an additional number of shares, at their $1 par value, which is equivalent to the same percentage of outstanding shares, determined on the same basis, as that previously purchased. It is further understood that De Luxe Topper Corporation itself will pay additional interest directly to the junior participants at the rate of 2% per annum, over and above the 7.65% interest they are entitled to receive, as described above, on the unpaid portion of the junior participation after March 31, 1969, for as long thereafter as the unpaid portion shall remain unsatisfied.

At the time of the purchase of the $700,000 junior participation, as aforesaid, we shall deliver to you the opinion of our counsel, Messrs. White & Case, addressed to you, in form and substance satisfactory to your counsel, Messrs. Marshall, Bratter, Greene, Allison & Tucker, to the effect that this Agreement has been duly authorized, executed and delivered and is a valid and binding agreement in accordance with its terms; and neither the execution or delivery of this Agreement,nor the consummation of the transactions contemplated hereby,nor the fulfillment hereof, nor the compliance with the terms, conditions and provisions hereof,will conflict with, or result in the breach of, any term, condition or provision of our certificate of incorporation, as amended, or our by-laws, as amended, or, to the knowledge of such counsel, of any instrument to which we are a party or by which we may be bound or constitute (with or without giving of notice or the passage of time or both) a default under any such instrument or cause the creation of any lien or encumbrance (except as contemplated hereby) upon any of our property.

For services rendered in connection with arranging the $700,000 junior participation and the further services discussed below, Carter, Berlind & Weill will be permitted to purchase common stock of De Luxe Topper Corporation for investment (with appropriate written representations), on the same purchase basis, in the amount of 5.4%.

It is understood that Carter, Berlind & Weill will undertake to arrange for the $700,000 junior participation within two weeks after the receipt by them of a financial statement certified by Arthur Young & Company, evidencing

De Luxe Topper Corporation's financial position as of December 31, 1967.

It is further understood that Carter, Berlind & Weill will use their best efforts in connection with the raising of additional monies, on terms acceptable to our Board of Directors, which either satisfy the extension terms of the $8,000,000 note presently held by Extoy Corporation (Exhibit H attached hereto) or satisfy the $8,000,000 note itself by March 31, 1969. In the event that the $8,000,000 note is not satisfied in full, or its maturity date shall not have been automatically extended to January 31, 1975 pursuant to the terms thereof, by March 31, 1969 (or such later date -- but not beyond June 30, 1970 -- to which the maturity date of such note may from time to time be extended), De Luxe Topper shall be entitled to repurchase 74% of the shares acquired hereunder by Carter, Berlind & Weill at the price of $1 per share. In this connection, appropriate provision shall be made to recognize the possibility of changes affecting De Luxe Topper's capital stock and to endorse a legend regarding De Luxe Topper's repurchase right upon the certificate evidencing the shares to which such right relates. For purposes of this letter agreement, it is understood that the shares which may be repurchasable by De Luxe Topper from Carter, Berlind & Weill, pursuant to this paragraph, shall not be regarded as outstanding in making calculations hereunder.

If for any reason Carter, Berlind & Weill shall not be able to arrange for the purchase of an additional $700,000 junior participation by the end of the two-week period following delivery to it of the December 31, 1967 financial statements certified by Arthur Young & Company, as above provided, this agreement shall thereupon terminate and the parties shall thereafter have no rights or obligations hereunder. Upon Carter, Berlind & Weill successfully arranging for the purchase of such $700,000 junior participation, De Luxe Topper will use its best efforts to cause the election of Roger Berlind and Sanford Weill to its Board of Directors.

Will you please indicate your acknowledgment in the space provided below that the foregoing correctly outlines our understanding.

Very truly yours,
DE LUXE TOPPER CORPORATION
/s/ By Ronald D. Saypol
Ronald D. Saypol
Executive Vice President

Agreed:
CARTER, BERLIND & WEILL, INC.
/s/ By Roger S. Berlind
Date: Feb. 27, 1968

A 2866 P. EX ~~1625~~ 529 forid

4/1/74 fy

☐ GENERAL FI
CREDIT FILL
☐ 2 YRS. (W/H 4 YR
☑ PERMANENT
☐ SSF
Permanent

HUBSHMAN FACTORS
DEPARTMENT
FIRST NATIONAL CITY BANK

DAVID L. HOLZMAN
VICE PRESIDENT

90 PARK AVENUE, NEW YORK, N. Y. 10016
TELEPHONE: 867-5700

January 20, 1969

Topper Corporation
(Formerly De Luxe Topper Corporation)
107 Trumbull Street
Elizabeth, New Jersey

Attention: Mr. Henry Orenstein, President

Gentlemen:

After a meeting with Mr. David Downs of Manufacturers Hanover Trust Company and with Messrs. William Hoffman and John Trimble of Fidelity Union Trust Company of Newark, we are pleased to confirm to you our approval of the credit line requested by you to meet the projection of operations for 1968-1969 which you submitted to us. The availability of funds under said credit line is, of course, governed by our underlying security and financing agreements as the same may have been amended or supplemented from time to time and by the guidelines that have been established thereunder.

Our approval is conditioned on the agreement of Henry Orenstein and Marrius Orenstein to continue their junior participation to the extent of $1,000,000 in our financing transactions with you under the terms of the existing junior participation agreements unless terminated as herein provided:

If during the period from January 1, 1969 to March 31, 1969, the amount of your shipments shall aggregate at least $1,150,000 and the amount of confirmed orders received by you shall aggregate at least $7,650,000, then Henry and Marriu Orenstein may terminate their junior participations. However, if said conditions are not met and Henry and Marrius Orenstein shall terminate their junior participations, then the availability of funds under said credit line allocable to machinery, equipment, tools and accessories as set forth in said projection of operations for 1968-1969 shall at no time exceed $1,500,000. Nothing herein contained shall constitute a waiver of our right to predicate your overall availability of funds under said line of credit on your substantial compliance with said projection of operations from month to month.

It is further agreed between us that because the best rate charged by First National City Bank has been increased from 6 1/2% to 7% per annum, the finance charges payable by you under our security and financing agreements shall be increased effective February 1, 1969 by 1/2 of 1% per annum. In the event that the best rate charged by First National City Bank is changed, then an equal change shal be made in the finance charges payable by you effective simultaneously with the change in said best rate.

A 2867

Except as herein specifically modified, all other terms and conditions of the agreements between us as amended or supplemented shall continue in full force and effect.

Will you, Henry and Marrius, please sign in the spaces provided below as an indication of your respective agreement and consent to these arrangements.

Very truly yours,

FIRST NATIONAL CITY BANK

By /s/ David L. [illegible]

MANUFACTURERS HANOVER TRUST
COMPANY

By /s/ David L. [illegible]

Agreed to and Accepted:

TOPPER CORPORATION
(Formerly De Luxe Topper Corporation)

By /s/ Henry Orenstein
Henry Orenstein, President

By /s/ Henry Orenstein
Henry Orenstein

By /s/ Marrius Orenstein
Marrius Orenstein

A 2868

P. EXH 535 for i.d

8/2/74 G

FIRST NATIONAL CITY BANK

FACTORING AND COMMERCIAL FINANCE DEPARTMENT
399 PARK AVENUE

ADDRESS MAIL TO
BOX 5138 GRAND CENTRAL STATION
NEW YORK NEW YORK 10017
IN REPLY PLEASE QUOTE FCF

February 5, 1970

Topper Corporation
107 Trumbull Street
Elizabeth, New Jersey

Att: Mr. Henry Orenstein,
President

Gentlemen:

We are pleased to confirm to you our agreement to make loans to you and your subsidiary, hereinafter referred to, during the year 1970 in respect of which there shall not be at any time outstanding in excess of $15,500,000 in the aggregate. Your obligations under these loans shall be secured by accounts receivable, inventory and machinery and equipment governed by our underlying agreements with you and your subsidiary, and your guarantee of the subsidiary's obligations to us as the same may have been amended or supplemented from time to time and by the guidelines that may have been established thereunder.

The overall availability of funds under said agreements shall be predicated on your substantial compliance with the projections submitted to us by your letter of December 19,1969.

The aggregate of $15,500,000 above referred to shall include the maximum amount outstanding at any one time of $1,000,000 in respect of advances made by us against accounts receivable created by Youth Care, Inc. your wholly owned subsidiary. Our undertaking to make advances to said subsidiary is conditional upon the execution of formal Financing Agreements with said subsidiary and your executing a guarantee thereof.

Except as herein specifically modified, all other terms and conditions of the agreements and arrangements between us as heretofore amended or supplemented shall continue in full force and effect.

Very truly yours,

FIRST NATIONAL CITY BANK

By: Edw Waldman
Edward Waldman,
Vice President

MANUFACTURERS HANOVER TRUST CO.

BY:
Dale Y. Freed
Vice President

AGREED TO & ACCEPTED:

TOPPER CORPORATION

BY: Henry Orenstein
Henry Orenstein,
President

A 2870

P. EXH 539 for id

8/15/74

Contract file

[illegible]

February 23, 1971

Topper Corporation
107 Trumbull Street
Elizabeth, New Jersey

Att: Mr. Henry Orenstein, President

Gentlemen:

We are pleased to confirm to you our agreement to continue financing Topper Corporation for the year ending January 31, 1972 subject to the terms and conditions set forth in the Financing Agreement dated October 4, 1966 as the same may have been modified and supplemented to date. Your obligations shall be secured by collateral in accordance with our underlying agreements with you as the same may have been amended or supplemented from time to time and by the guidelines that may have been established thereunder.

Very truly yours,

No mention of project

EW:SS

AL

MS

A 2871 **P. EXH** 541 for id
8/5/74 [illegible]

HF 893A 7-60

FI..ST NATIONAL CITY BAN .
FACTORING AND COMMERCIAL FINANCE DEPARTMENT

DATE June 21, 1971

FH 7/10

FROM Edward Waldman, VP TO Contract File

SUBJECT:

TOPPER CORPORATION

Henry Orenstein advised me that Topper is currently negotiating with Ford Motor Credit for a loan of $7MM with repayment in 12 quarterly installments beginning on March 31, 1974. They have not yet worked out the specific amounts of the quarterly installments. Ford's rate is 5-1/2% above prime, but no greater than 14%, no less than 5-1/2% over prime.

Orenstein says that he feels the company needs these funds in order to effect a clean-up with Manufacturers Hanover. This could not be accomplished last year and Orenstein indicated that Hanover was quite upset that the loan was not paid off for at least a 30 day period. Pointed out to Orenstein that the collateral base had not changed despite his invitation to Ford to participate and that it would mean a reduction of an equal amount in the loans made by the original participants.

Orenstein indicated they still felt that the term loan protected Topper in the event any of the present lenders should not renew at the end of the year. He apparently has been advised in this direction by Cogan, Berland and Weil who have also handled his public offerings.

In addition the investment house is arranging for the sale by Topper of convertible debentures amounting to $5MM. They expect to receive the Ford money by July 25th and the debenture money by August 10th. Then Orenstein mentioned they needed $3MM over present availability through August 10th and we will be repaid out of the debenture money. I agreed to permit an overdraft of up to $2MM for this period of time.

With respect to the Ford loan we would continue to handle collateral, make audits, examinations, etc. for which Topper would pay us between 1-1/2% and 2% per annum on the $7MM Ford loan with a minimum charge of at least $75M. I also suggested that Topper pay Ford direct for the interest on its loan so that we will not be involved in handling the latter's funds.

If the loan should go through it would be necessary to block off $7MM of the accounts availability and distribute the balance in the same proportion as the~~ir~~ Banks' existing participation percentage. Ford expects to be pari passu on all Topper collateral pledged with us.

Edward Waldman
Vice President

EW

AL
MS

EW:SS Mr Siegel

Suggest you advise
the participating banks
[illegible]

6/24
Ford [illegible]
mercantile
manner
[illegible]

A 2872 **P. EXH** 542 ford
8/5/74

F. .ST NATIONAL CITY BAI !
FACTORING AND COMMERCIAL FINANCE DEPARTMENT

DATE July 15, 1971

FROM Morton J. Siegel, A.V.P. TO Contract File

SUBJECT: Topper Corporation

On July 13th and 14th the following were present at a meeting in our office:

From Topper	Henry Orenstein, President David Downs, Vice President Jack Rose, Vice President
From FNCB	Edward Waldman, Vice President Al J. Lusk, Assistant Vice President Morton J. Siegel, Assistant Vice President

The purpose of this meeting was to bring us up to date on current happenings and at the same time make a request for interim additional advances.

According to the client, Ford Motor Credit has confirmed their $7MM term debt loan and will have the agreements ready by Monday, July 19th. The actual funds will be received approximately August 10th to 15th. These funds are to be given to us for which we will block the amounts involved and they participate with us in the collateral on a pari passu basis. We must still get our other participants in the Topper loan to agree to this officially, and Review the agreement with Ford, and provide for an agreement with the client insofar as our fee for handling Ford's interest of the collateral.

Ask Ed [illegible]

The second subject the client discussed was the selling of $5MM to $7MM in 7 1/2% convertable debentures. We are advised the conversion price is $18. and the selling price as of July 13th is $16. We are advised further that Carter, Brelind & Weil, Inc. is selling these debentures to insurance companies and that by the end of the month the sale will be consummated and funds should be received by Topper approximately August 10th to 15th.

Mr. Orenstein then advised that the six month earnings thru June 30, 1971, preliminary, are the best in the company's history, reflecting an approximate pre tax profit of between $600M and $650M vs. a $900M loss for the same period last year.

We were also advised that the Seaseme Street line is now finished, and that a sales show will begin Monday, July 19th, and run for two weeks with shipments anticipated to start in September. They also anticipate orders of between 8 and 10 million, some of which due to production problems will be delivered in January or February. This line will be sold under the name, Educational Toys, Inc. a wholly owned subsidiary of Topper Corporation for which proper documentation and agreements will have to be secured by us. Mr. Orenstein advised that this new line will afford Topper Corporation a tremendous advantage in selling their regular toy line together with the ability to effect better collections which as of late have been lagging.

With regard to the discussions of collections, client advises that they are meeting some resistance by their distributors insofar as bills and invoices which are now due for payment, which customers claim that most of these goods have not been sold as yet.

Along these lines, our records indicate as of June 30th that the following represents monies due which as yet have not been collected, 30 days, $800M, 60 days, $6,600M over 60 days, $3,500M.

In lieu of these slow collections, the additional expense of the new line, the client has requested that we provide some leaway in our present guideline as a bridge until the debenture funds and the Ford monies are received. We have agreed, therefore, to increase subject's line by $2 1/2MM or a total of $21MM and provide for a $3MM over advance. This is without any advances against inventories and machinery and equipment. The over advance is an anticipation of an increase of the past dues which accur at the end of July together with advances to be made against the accounts receivable. But, in no event, should they exceed $3MM expected to peak in the first week in August.

We have discussed the aforementioned matters with our participants. We are preparing letters outlining these temporary increases for their acknowledgement and to Manufacturers Hanover an agreement to amend the original Financing Agreement of October, 1966 with Topper's signature, to increase total line to $21MM.

Morton J. Siegel,
Assistant Vice President

APPROVED:

E. Waldman, V.P.

A.J. Lusk, A.V.P.

A 2874

P. EXH 513 for id
8/13/74 Fy

FIRST NATIONAL CITY BANK

FACTORING AND COMMERCIAL FINANCE DEPARTMENT
399 PARK AVENUE

ADDRESS MAIL TO
BOX 5138 GRAND CENTRAL STATION
NEW YORK NEW YORK 10017
IN REPLY PLEASE QUOTE FCF

July 15, 1971

Manufacturers Hanover Trust Company
350 Park Avenue
New York, New York

Topper Corporation
107 Trumbull Street
Elizabeth, New Jersey

Gentlemen:

In accordance with the request of Topper Corporation, we have agreed to temporarily increase the overall line of credit available to the company to $21,000,000.

This increase to be available to August 15, 1971, and will include advances up to $3,000,000. in excess of our normal 80% advance against eligible assigned accounts receivable. We continue to have inventory and machinery and equipment as additional collateral.

Your agreement and acknowledgement of the above will constitute an amendment. (The Loan Agreement dated October 4, 1966, as amended and supplemented).

Very truly yours,

FIRST NATIONAL CITY BANK

By Geo Waldman

ACKNOWLEDGED & AGREED

MANUFACTURERS HANOVER TRUST COMPANY

By F. J. Calley A.V.P.

TOPPER CORPORATION

By Henry Orenstein Pres.

A 2875

P. EXH 517 for id
[illegible]

FIRST NATIONAL CITY BANK

FACTORING AND COMMERCIAL FINANCE DEPARTMENT
399 PARK AVENUE

ADDRESS MAIL TO
BOX 5138 GRAND CENTRAL STATION
NEW YORK NEW YORK 10017
IN REPLY PLEASE QUOTE FCF

August 25, 1971

Fidelity Union Trust Company
765 Broad Street
Newark, New Jersey

Att: Mr. John Trimble
Second Vice President

Gentlemen:

In accordance with the request of Topper Corporation, we have agreed to continue to September 30, 1971, the temporary increase in the overall line of credit available to the company of $21,000,000.

The increased amount will include advances up to $4,800,000. in excess of our normal 80% advance against eligible assigned accounts receivable. We continue to have inventory and machinery and equipment as additional collateral.

Please indicate your agreement to the above conditions, by signing and returning two copies of this letter.

Very truly yours,

FIRST NATIONAL CITY BANK

By

ACKNOWLEDGED & AGREED

FIDELITY UNION TRUST COMPANY

By

A 2876

Note made 5-15-72
showing for the 1970
offering, [illegible] be
dated 4-10-70

CBWL

Cogan, Berlind, Weill & Levitt, Inc., 767 Fifth Avenue, New York, N.Y. 10022 (212) 350-0500

A-10

From the desk of: Conrad K. Sterrett

Sandy - list of
zapper questions for
Harvey

C

P. EXH 564
9/15/77
SK

1. What method was used to determine a price in connection with the October 1966 purchase of Topper Corporation?

2. We understand that the price was determined in early 1966. Was the price renegotiated in October in light of the $8.6 million loss incurred in the 9 month period ended October 1966?

3. Did you anticipate the extent of the $17.6 million loss incurred in the four months after October 1966? If so, was this taken into account in the determination of the purchase price?

4. Many potential underwriters have made the following comment: It seems that management either grossly overpaid when purchasing the company in 1966 or had no intention of repaying the debt to Philadelphia and Reading. How would you like for us to answer this comment?

5. The prospectus implies that the major portion of the difficulties encountered in the 13 months ended February 1967 was concerned with the supermarket toy operation. The way the income statement on page 7 is set up, a decline in the sales of "Topper toys" from $50 million in 1965 to $28 million for the 13 months is experienced as well. Is the classification system we have used in the income statement inaccurate or was there a substantial decline in sales of the Topper line?

6. If there was a substantial decline in sales of the Topper line, how did the situation then differ from the situation now, i.e. why could not a serious decline of that type occur in the present operation?

7. How do you keep yourself informed of the profitability of the company other than through weekly sales reports? Do these reports show product mix with regard to both product and customer, i.e. do you have an idea of whether these sales are composed of high profit or low profit items? What other means do you, as President, use to keep track of profitability?

8. We understand that you determine the amount of advertising. On what information is this based and what is your advertising philosophy? For example, is advertising kept as a percentage of expected sales, etc.? How do you go about deciding whether the advertising is at a saturation level?

9. Which segment of the company's sales would not exist without your personal marketing efforts? To whom are these sales made?

10. What is the extent of the company's risk in toiletries? If none of the toiletries were to be sold, how much less would earnings in 1970 be than would have been the case if the company had not entered the toiletries business?

11. We understand that legally every sale is final. We also understand that the competitive situation in the industry is such that all major manufacturers must, in effect, guarantee sales to major customers if the company wishes to maintain a continuing relationship. If one of the company's major lines were to remain unsold in retail stores, would the company be faced with massive returns under such an informal agreement? Assuming sales of $75 million in 1970, is it useful to discuss the maximum exposure from potential returns?

A 2879

Inter-Office M

Subject: Topper Corp. Public Offering of 700,000 Shares, Filing Anticipated March 18

To: Commitment Committee

From: Conrad K. Sterrett

Date: March 12, 1971

9/19/71.

P. EXH 578

We plan to file on or about March 18 a registration statement covering 700,000 shares of Common Stock, approximately 600,000 of which will be issued by the Company, and approximately 100,000 of which will be sold by selling shareholders. I recommend that the Commitment Committee approve CBWL-Hayden, Stone's management of the offering.

You have previously received a draft of the S-1; changes in subsequent drafts are minor. Comments below supplement the information presented in the S-1.

BUSINESS

The Company's business is outlined on pages 3 and 10. The Company's "Dawn" line accounted for over 50% of sales in 1970, the year in which it was introduced, and is expected to account for approximately 50% of sales in 1971. Significant sales and earnings from Sesame Street are not anticipated until 1972. Johnny Lightning, which was introduced in 1969 and was the most important line in that year, is expected to account for approximately 15% of sales in 1971.

REPORTED EARNINGS

The Company's reported earnings ($0.51 per share on continuing operations in 1970) are on pages 7 and 8. The Company's toiletries business, which accounted for an operating loss of 33¢ per share in 1970, and an additional 9¢ per share provision for losses has been discontinued. The Company's earnings per share were level in 1970 compared with 1969 because of a combination of slightly decreased margins and a larger number of shares outstanding.

PROJECTED EARNINGS

The Company's reported and forecast earnings are as follows

	YEAR ENDED DECEMBER 31	
	1970	1971
Sales	$63,935,619	$68,000,000
Pre-Tax Earnings	2,927,495	5,000,000
After-Tax Earnings	1,464,495	2,500,000
Earnings Per Share	51¢	73¢
Average Shares Outstanding	2,678,704	3,300,000

Projections in the toy business are difficult, particularly in the case of Topper, where the major portion of sales and an even greater proportion of earnings occur in the final quarter. As a result, the Company's earnings projections in the past have not been accurate. This year the following factors should provide some cushion to the Company's projections:

1. Topper expects to incur approximately the same amount of fixed expenses, including advertising, in 1971 as in 1970. Therefore the incremental gross margin (approximately 40%) applicable to the $4 million in incremental sales in 1971 over 1970 should be reflected in pre-tax earnings. 1.6

2. The Company normally depreciates tooling over a two-year period. This year the Company's capital expenditures are budgeted at $2 million instead of $4.8 million. Therefore, the write-off should be approximately $1.4 million less. 1.4

3. When the Company was purchased in 1966, certain fixed assets were written up and are being depreciated over a 5-year period, which expires in the latter part of 1971. Significant reductions in depreciation in connection with these writeups occur in 1971 and thereafter as follows: .4

Year	Total Depreciation Charges in Connection with Writeups
1970	$1,446,000
1971	1,084,000
1972 and thereafter	- 0 -

4. The Company's projections do not include any revenues or profits from the Sesame Street line, sales of which could amount to as much as $8 million in 1971, depending upon the time of the introduction of the line.

5. The Company's major line, Dawn, is in its second year of production, and no significant additional tooling or start-up costs are anticipated.

6. The tariff schedule from the Far East this year will be reduced from 24% to 21%, which could provide a saving of up to $500,000. .5

3.9

OTHER POSITIVE FACTORS

[illegible]

1. Sesame Street

The Company plans to sign the contract with Sesame Street before the filing. It is anticipated that in most categories of toys, the Company will have the exclusive right to manufacture and distribute. Although it is difficult to predict the impact of Sesame Street, the Company's products in this line are impressive. The line should be of a more recurring nature and sell on a more year-round basis than the Company's other productions.

2. Reduction of Seasonal Pattern of Sales

   The Company's Dawn line appears to be selling on a more year-round basis than its prior lines, although the Company still anticipates a loss in the first quarter, and the major portion of sales will continue to occur in the latter part of the year.

3. Increase in Low-Priced Toys

   The Company is increasing the percentage of its sales in the low-priced toy lines. In 1970 approximately 70% of sales were in the $0.75 - $6.00 range, compared with 50% in 1969.

4. Backlog

   The Company's products received excellent response at Toy Fair. The Company anticipates that its backlog of orders at March 31 will be up significantly from last year, reflecting such response.

5. Listing

   The Company anticipates listing on the American Stock Exchange in mid-1971.

6. Low Multiple

   The Company's multiple on reported earnings is 17x -- currently among the lowest of major toy manufacturers. Multiples in the industry range from the high teens to 42x for Mattel. The anticipated increase in earnings plus an increase in multiple as the Company becomes stronger and more successful could provide significant appreciation for investors.

OTHER CONSIDERATIONS

The following comments should be considered with regard to Topper.

1. The Company's stock is and will continue to be speculative. The risks enumerated on pages 3 and 4 should be noted.

2. Included in the sales for December 1970 were $16 million of goods, principally Dawn, sold to jobbers at reduced prices at terms payable 5 to 8 months from shipment date. Although the Company planned advertising and promotions to stimulate such sales, Topper has not in the past conducted a "spring promotion" of such size and on such favorable terms.

The Company's continuing operations would have operated at a loss in 1970 had these sales not materialized. Both Ideal and Mattel had similar promotions with terms at least as favorable to the purchaser.

3. Dating is common in the toy business, and the Company usually sells on terms of 30 - 100 days. Topper consistently has a large dollar amount of receivables outstanding. The Company has experienced minimal losses in receivables, however, with only $84,000 charged to the profit and loss statement in 1970 on sales of $64 million.

4. The Company traditionally is very slow in meeting its payables and usually has payables almost 3 months overdue. However, only one major supplier, Union Carbide, has refused to do business with Topper on a billing basis, and it is reportedly reconsidering.

5. Because of the increased number of average shares outstanding, the Company must increase earnings by 23% in 1971 in order to equal the 51¢ earnings per share figure in 1970. ½ cut.

6. The Company has $1.35 million of notes coming due in June 1971, and $3.85 million in notes due in January 1972, all of which were placed by CBWL-Hayden, Stone. The proposed offering will strengthen the Company's ability to repay such notes, particularly if sales and earnings do not materialize.

Conrad K. Sterrett

CKS/j

DELUXE TOPPER 667

[illegible]/11

ACCTS REC COLL BAL 03/01/71 20403168.
CRED 407102.
SALES
IN PROCESS 159669.
COLLECTIONS
ADJUSTMENTS 30651201.
GROSS COLLATERAL 01/1357.38538.
INELIGIBLE
PAST DUE MORE THAN DAYS06/3035347582. 11372881.
NET COLLATERAL
DISCOUNT 2274576.
EQUITY 204 ~~[illegible]~~ A/C REC AVAILABILITY 19098305

LOAN ACCOUNT BAL 03/01/71
ADVANCES
NET COLLECTIONS FC
ADJ

CURRENT LOAN BALANCE 19153351 ~~[illegible]~~

AVAIL ON RECEIVABLES ~~[illegible]~~ 19055046

OTHER COLLATERAL % AVAILAB

TOTAL AVAILABILITY ~~[illegible]~~ 19055046

ADDITIONAL ITEMS NOT INCLUDED ABOVE

AMOUNT REQUESTED $

APPROVED A/C EXEC 300000

V.P.

SALES
CRED
NET SALES
PAST DUE
INELIGIBLE 666 1066720
TOTAL NET
LESS RESERVE
CASH

ADDTL REC PROMISED

MISSING RECEIPTS 13
FIGURED / CHECKED
CHECK ISSUED

1983326

TOTAL AVAIL FOR ADVANCE

3
23
16
[illegible]

A 2883

P. EXH 603 10/24/74 R.J

```
      ACCTS REC COLL BAL    08/01/71 339  1,004,127.
1211  SALES   408,473 /CRED   1,371./    407,102.
        IN PROCESS
1257  COLLECTIONS                        159,069. /
        ADJUSTMENTS
      GROSS COLLATERAL                                 1,252,160.
        INELIGIBLE              07/295,738,538.
        PAST DUE MORE THAN 060 DAYS06/30
      NET COLLATERAL                                   4,486,378.-
        DISCOUNT         %
        EQUITY      20 %                 897,275.
                                                         A/C REC AVAILABILITY 5,383,653.-
      LOAN ACCOUNT BAL     08/01/71    5,059,324.
        ADVANCES                         250,000.
        NET COLLECTIONS                  155,973.
        ADJ                  FC
                                                         CURRENT LOAN BALANCE 5,153,351.

                                                         OVERDRAFT            10,537,004.-DEB

      OTHER COLLATERAL 6,654,021.                        OTHER COLLATERAL
                                 000 % AVAILAB
                                                         OVERDRAFT            10,537,004.-DEB

                                              ADDITIONAL ITEMS NOT INCLUDED ABOVE
*********************************************************************************************
  AMOUNT REQUESTED  $                    *SALES        *          *        *               *
                                         *             ************        *               *
  APPROVED  A/C EXEC                     *CRED         *          *        *               *
                                         *             ************        *               *
  V.P.                                   *NET SALES    *          *        *               *
                                         *             ************        *               *
                                         *             *          *        *               *
                                         *PAST DUE     *          *        *               *
*****************************************              *          *        *               *
  ADDIL REC PROMISED                     *INELIGIBLE   *          *        *               *
                                         *             ************        *               *
                                         *TOTAL NET    *          *        *               *
*****************************************              *          *        *               *
  MISSING RECEIPTS                       *LESS RESERVE*                    *               *
*****************************************              *********************               *
  SIGNED / CHECKED                       *CASH        %                    *               *
*****************************************              *********************               *
  CHECK ISSUED                           *                                 *               *
*****************************************                                  *****************

                                      TOTAL AVAIL FOR ADVANCE              *****************
```

A 2884

```
 09/02/71          465   DELUXE TOPPER 467 OVFL                                GROUP  %         / /

ACCTS REC COLL BAL   09/01/71       8,403,547.
   SALES           . CRED
   IN PROCESS
   COLLECTIONS
   ADJUSTMENTS
GROSS COLLATERAL                                 8,403,547.
   INELIGIBLE                   C6/70
   PAST DUE MORE THAN      DAYSC7/263,539,782.
NET COLLATERAL                                   4,863,765.
   DISCOUNT       %
   EQUITY      20 %                   972,753.
                                                     A/C REC AVAILABILITY 3,891,012.

LOAN ACCOUNT BAL     09/01/71       9,000,000.
   ADVANCES
   NET COLLECTIONS
   ADJ           .   FC

                                                     CURRENT LOAN BALANCE 9,000,000.

                                                     OVERDRAFT             5,108,988.-DEB

OTHER COLLATERAL
                                 % AVAILAB

                                                     OVERDRAFT             5,108,988.-DEB

                                          ADDITIONAL ITEMS NOT INCLUDED ABOVE
****************************************************************************************
 AMOUNT REQUESTED  $                    *SALES       *          *          *          *
                                        *            ************          *          *
 APPROVED  A/C EXEC                     *CRED        *          *          *          *
                                        *            ************          *          *
 V.P.                                   *NET SALES   *          *          *          *
                                        *            ************          *          *
                                        *            *          *          *          *
                                        *PAST DUE    *          *          *          *
****************************************             *          *          *          *
 ADDTL REC PROMISED                     *INELIGIBLE  *          *          *          *
                                        *            ************          *          *
                                        *TOTAL NET   *          *          *          *
****************************************             *          *          *          *
 MISSING RECEIPTS                       *LESS RESERVE*          *          *          *
****************************************             ***********************          *
 REGISTERED / CHECKED                   *CASH       $*                     *          *
****************************************             ***********************          *
 CHECK ISSUED                           *                                  *          *
****************************************                                   ************

                                          TOTAL AVAIL FOR ADVANCE          ************
```

A 2885

```
ACCTS REC COLL BAL    09/01/71        6,995,494.
    SALES             . CRED
    IN PROCESS
    COLLECTIONS
    ADJUSTMENTS
GROSS COLLATERAL                                6,995,494.
    INELIGIBLE                  03/16
    PAST DUE MORE THAN      DAYS03/16
NET COLLATERAL                                  6,995,494.
    DISCOUNT       %
    EQUITY      20 %                  1,399,098.
                                                    A/C REC AVAILABILITY 5,596,396.
LOAN ACCOUNT BAL      09/01/71        5,000,000.
    ADVANCES
    NET COLLECTIONS
    ADJ               FC
                                                    CURRENT LOAN BALANCE 5,000,000.

                                                    AVAIL ON RECEIVABLES   596,396.

OTHER COLLATERAL
                          % AVAILAB

                                                    TOTAL AVAILABILITY     596,396.

                                  ADDITIONAL ITEMS NOT INCLUDED ABOVE
*****************************************************************************************
  AMOUNT REQUESTED  $              *SALES       *          *          *              *
                                   *            ************          *              *
  APPROVED  A/C EXEC               *CRED        *          *          *              *
                                   *            ************          *              *
  V.P.                             *NET SALES   *          *          *              *
                                   *            ************          *              *
                                   *            *          *          *              *
                                   *PAST DUE    *          *          *              *
************************************            *          *          *              *
  ADDTL REC PROMISED               *INELIGIBLE  *          *          *              *
                                   *            ************          *              *
                                   *TOTAL NET   *          *          *              *
************************************            *          *          *              *
  MISSING RECEIPTS                 *LESS RESERVE*          *          *              *
************************************            ***********************              *
  FIGURED / CHECKED                *CASH       $*                     *              *
************************************            ***********************              *
  CHECK ISSUED                     *                                  *              *
************************************                                  ****************

                            TOTAL AVAIL FOR ADVANCE                   ****************
```

A 2886

ACCTS REC COLL BAL 08/01/71 4,000,000.
SALES CRED
IN PROCESS
COLLECTIONS
ADJUSTMENTS 4,000,000.
GROSS COLLATERAL
INELIGIBLE 01/31
PAST DUE MORE THAN DAYS08/10 4,000,000.
NET COLLATERAL
DISCOUNT %
EQUITY 20 % 800,000. A/C REC AVAILABILITY 3,200,000.

LOAN ACCOUNT BAL 08/01/71
ADVANCES
NET COLLECTIONS
ADJ FC
CURRENT LOAN BALANCE
AVAIL ON RECEIVABLES [illegible]

OTHER COLLATERAL % AVAILAB
TOTAL [illegible]

ADDITIONAL [illegible]

AMOUNT REQUESTED $
APPROVED A/C EXEC
V.P.

[illegible]

SALES
CRED
NET SALES
PAST DU
INELIGIBLE
TOTAL NET
LESS RESERVE
CASH

TOTAL AVAIL FOR ADVANCE

~~P. EX 1~~ ~~603~~ ~~60~~
~~10/24/74-RG~~

A 2887

```
08/02/71              686     UNSHIPPED RIGHTS DE LUXE .TOPPER CORP

X
ACCTS REC COLL BAL    08/01/71        2,133,440.
ADD SALES                 . CRED
    IN PROCESS
    COLLECTIONS
    ADJUSTMENTS                                     2,133,440.
GROSS COLLATERAL
    INELIGIBLE                     06/30
    PAST DUE MORE THAN        DAYS07/26             2,133,440.
NET COLLATERAL
    DISCOUNT          %
    EQUITY         50 %               1,066,720.       A/C REC AVAILABILITY 1,066,720.

LOAN ACCOUNT BAL      08/01/71
    ADVANCES
    NET COLLECTIONS
    ADJ                FC                              CURRENT LOAN BALANCE

                                                       AVAIL ON RECEIVABLES 1,066,720.

OTHER COLLATERAL                 % AVAILAB

                                                       TOTAL AVAILABILITY   1,066,720.

                                       ADDITIONAL ITEMS NOT INCLUDED ABOVE
*************************************************************************************
AMOUNT REQUESTED $                     *SALES          *          *
                                       *               ************
APPROVED  A/C EXEC                     *CRED           *          *
                                       *               ************
V.P.                                   *NET SALES      *          *
                                       *               ************
                                       *PAST DUE       *          *
*************************************  *INELIGIBLE     *          *
ADDTL REC PROMISED                     *               ************
                                       *TOTAL NET      *          *
*************************************  *LESS RESERVE   *          *
MISSING RECEIPTS                       *               ********************
*************************************  *CASH          **********************
FIGURED / CHECKED                      *                                   ****************
*************************************  *
CHECK ISSUED                           *
*************************************                                      ****************
                                       TOTAL AVAIL FOR ADVANCE ....
```

A-2888

```
[illegible]                          -101101[illegible]        667

ACCTS REC COLL BAL   [illegible]/01/73    28403165.
   SALES               CRED              407102.
   [illegible]                           375433.
   COLLECTIONS                           185652.
   NOTE CHARGES                                .29440021
GROSS COLLATERAL
   INELIGIBLE =                 06/1654547945.
   PAST DUE MORE THAN 60 DAYS06/1635347582.    19942244.
NET COLLATERAL
   DISCOUNT
   EQUITY 20                          3785458.     A/C REC AVAILABILITY 1595386.

LOAN ACCOUNT BAL     08/01/73
   ADVANCES
   NET COLLECTIONS
   ADJ                 FC                          CURRENT LOAN BALANCE=19627333.

                                                   AVAIL ON RECEIVABLES 3673497.

OTHER COLLATERAL              % AVAILAB

                                                   TOTAL AVAILABILITY  3673497.

                               ADDITIONAL ITEMS NOT INCLUDED ABOVE
AMOUNT REQUESTED $             *SALES
                               *CRED
APPROVED - A/C EXEC  100,000 - *NET SALES
V.P.
                               *PAST DUE
ACTL REC PROVIDED              *INELIGIBLE          666      1066720
                               *TOTAL NET
                               *LESS RESERVE
[illegible] RECEIPTS           *CASH
[illegible] CHECKS
[illegible]
                                                             2606717
                               TOTAL AVAIL FOR ADVANCE
```

A 2889

EXH 604 11/24/74 RM

```
[illegible]          .667 .          [illegible] CORPORATION                    L77.70   GROUP 3        [illegible]

ACCT REC COLL BAL     08/03/71 $37  9,006,127.
1211 SALES     490,674./CRED   1,371./   497,132.
1211 ADJ [illegible]S                    915,633.
1213 COLLECTIONS       .                 185,692./
     ADJUSTMENTS                                .
GROSS COLLATERAL                                          47,990.
     INELIGIBLE                   07/295,730,558.
     PAST DUE MORE THAN 060 DAYS06/30 .          .
NET COLLATERAL                           .      :        5,697,559.-
     DISCOUNT       -                                .
     EQUITY        .  ?? -              1,130,511.
                                                              A/C REC AVAILABILITY 6,837,069.-
LOAN ACCOUNT BAL      08/01/71          5,050,324.
     ADVANCES                             750,000.
     NET COLLECTIONS.                     181,991.
     ADJ           .   FC          .             .
                                                              CURRENT LOAN BALANCE 5,627,333.

                                                              OVERDRAFT             12,464,402.-DEB

OTHER COLLATERAL 6,529,061.                                   OTHER COLLATERAL               .
                               000 % AVAILAB
                                                              OVERDRAFT             12,464,402.-DEB

                                                 ADDITIONAL ITEMS NOT INCLUDED ABOVE
*********************************************************************************************************
  AMOUNT REQUESTED  $                          *SALES           *          *          *              *
                                               *                ************          *              *
  APPROVED A/C EXEC                            *CRED            *          *          *              *
                                               *                ************          *              *
  V.P.                                         *NET SALES       *          *          *              *
                                               *                ************          *              *
                                               *                *          *          *              *
                                               *PAST DUE        *          *          *              *
***********************************************                 *          *          *              *
  ADDTL REC PROMISED                           *INELIGIBLE      *          *          *              *
                                               *                ************          *              *
                                               *TOTAL NET       *          *          *              *
***********************************************                 *          *          *              *
  MISSING SCHEDULES                            *LESS RESERVE    *          *          *              *
***********************************************                 **********************               *
  FIGURES / CHECKED                            *CASH           **                     *              *
***********************************************                 **********************               *
  CHECK ISSUED                                 *                                      *              *
***********************************************                                       ****************

                                             TOTAL AVAIL FOR ADVANCE ________          ****************
```

A 2890

```
                                                                                    GROUP
[illegible]/71          556    DELUXE TOPPER 667 OVEL

ACCTS REC COLL BAL   [illegible]/01/71     8,403,547.
   SALES              CRED
   IN PROCESS
   COLLECTIONS
   ADJUSTMENTS                                        8,403,547.
GROSS COLLATERAL
   INELIGIBLE                   06/30
   PAST DUE MORE THAN     DAYS07/263,519,782.         4,843,755.
NET COLLATERAL
   DISCOUNT
   EQUITY      20 %                        972,753.          A/C REC AVAILABILITY 3,991,012.

LOAN ACCOUNT BAL     09/01/71          9,000,000.
   ADVANCES
   NET COLLECTIONS
   TOT             FC                                        CURRENT LOAN BALANCE 9,000,000.

                                                             OVERDRAFT            5,108,988.-DEB

OTHER COLLATERAL                    % AVAILAB

                                                             OVERDRAFT            5,108,988.-DEB

                                            ADDITIONAL ITEMS NOT INCLUDED ABOVE
                                            *****************************************************
******************************************  *SALES      *        *          *            *
 AMOUNT REQUESTED  $                        *           **********          *            *
                                            *CRED'      *        *          *            *
 APPROVED  A/C EXEC                         *           **********          *            *
                                            *NET SALES  *        *          *            *
 V.P.                                       *           **********          *            *
                                            *           *        *          *            *
                                            *PAST DUE   *        *          *            *
******************************************  *           *        *          *            *
 [illegible] REC PROMISED                   *INELIGIBLE *        *          *            *
                                            *           **********          *            *
                                            *TOTAL NET  *        *          *            *
******************************************  *           *        *          *            *
 MISSING RECEIPTS                           *LESS RESERVE*       *          *            *
******************************************  *           *********************            *
 FINANCED / CHECKED                         *CASH       $*                  *            *
******************************************  *           *********************            *
 C. C. ISSUED                               *                               *            *
******************************************  *                               **************
                                                                            *            *
                                       TOTAL AVAIL FOR ADVANCE              **************
```

A 2891

P. EXH ~~ED:~~ 10/24/94

```
[illegible]           644    OVERFLOW ON ACCT. 667                                    GROUP  1          /  /

ACCTS REC COLL BAL    09/01/71          6,995,494.
   SALES               . CRED          .         .
   IN PROCESS                                    .
   COLLECTIONS                                   .
   ADJUSTMENTS                                   .
GROSS COLLATERAL                                      6,995,494.
   INELIGIBLE                   03/15            .
   PAST DUE MORE THAN       DAYS03/15            .
NET COLLATERAL                          .        .    6,995,494.
   DISCOUNT         %                            .
   EQUITY      20 %                     1,399,098.
                                                        A/C REC AVAILABILITY 5,596,396.
LOAN ACCOUNT BAL     09/01/71           5,000,000.
   ADVANCES                                      .
   NET COLLECTIONS                               .
   ADJ           .    FC         .               .
                                                        CURRENT LOAN BALANCE 5,000,000.

                                                        AVAIL ON RECEIVABLES    596,396.

OTHER COLLATERAL          .
                                   % AVAILAB                                          .

                                                        TOTAL AVAILABILITY      596,396.


                                          ADDITIONAL ITEMS NOT INCLUDED ABOVE
  ***********************************************************************************************
   AMOUNT REQUESTED  $                         *SALES        *         *      *         *
                                               *             ***********      *         *
   APPROVED  A/C EXEC                          *CRED         *         *      *         *
                                               *             ***********      *         *
   V.P.                                        *NET SALES    *         *      *         *
                                               *             ***********      *         *
                                               *             *         *      *         *
                                               *PAST DUE     *         *      *         *
  **********************************************             *         *      *         *
   ADDTL A/C PROMISED                          *INELIGIBLE   *         *      *         *
                                               *             ***********      *         *
                                               *TOTAL NET    *         *      *         *
  **********************************************             *         *      *         *
   MISSING RECEIPTS                            *LESS RESERVE *         *      *         *
  **********************************************             ******************         *
   FIGURED / CHECKED                           *CASH       %*                 *         *
  **********************************************             ******************         *
   CHECK ISSUED                                *                              *         *
  **********************************************                              ***********

                                          TOTAL AVAIL FOR ADVANCE _____         ***********
```

A 2892

```
GROSS REC COLL BAL      0?/01/71        4,000,000.
   SALES                 CRED
   [illegible]
   COLLECTIONS
   ADJUSTMENTS                                          4,000,000.
GROSS COLLATERAL
   INELIGIBLE                         01/71
   PAST DUE MORE THAN            DAYS06/10              4,000,000.
NET COLLATERAL
   DISCOUNT
   EQUITY        20 %                     800,000.          A/C REC AVAILABILITY 3,200,000.

LOAN ACCOUNT BAL        08/01/71
   ADVANCES
   NET COLLECTIONS
   ADJ                   EC                                 CURRENT LOAN BALANCE

                                                            AVAIL ON RECEIVABLES 3,200,000.

OTHER COLLATERAL                  % AVAILAB

                                                            TOTAL AVAILABILITY   3,200,000.

                                           ADDITIONAL ITEMS NOT INCLUDED ABOVE
                                          *SALES
   AMOUNT REQUESTED $
                                          *CRED
   APPROVED  A/C EXEC
                                          *NET SALES
   V.P.

                                          *PAST DUE

                                          *INELIGIBLE
   ADDTL A/C PROMISED
                                          *TOTAL NET

                                          *LESS RESERVE
   [illegible]
                                          *CASH
   [illegible]

   [illegible]

                                           TOTAL AVAIL FOR ADVANCE
```

A 2893

```
[illegible]          [illegible]   UNSHIPPED RIGHTS DE LUXE,TOPPER CORP

BEG REC COLL BAL    03/01/71       2,133,440.
SALES               CRED
  [illegible]
  COLLECTIONS
  ADJUSTMENTS
GROSS COLLATERAL                                  2,133,440.
  INELIGIBLE               06/30
  PAST DUE MORE THAN       DAYS07/26
NET COLLATERAL                                    2,133,440.
  RESERVE
  EQUITY        50 %               1,066,720.        A/C REC AVAILABILITY 1,066,720.

LOAN ACCOUNT BAL      03/01/71
  ADVANCES
  NET COLLECTIONS
  ADJ               FC                               CURRENT LOAN BALANCE

                                                     AVAIL ON RECEIVABLES 1,066,720.

OTHER COLLATERAL              % AVAILAB

                                                     TOTAL AVAILABILITY   1,066,720.

                                        ADDITIONAL ITEMS NOT INCLUDED ABOVE
*****************************************************************************************
 AMOUNT REQUESTED  $                  *SALES,    *          *          *          *
                                      *          ************          *          *
 APPROVED  A/C EXEC                   *CRED      *          *          *          *
                                      *          ************          *          *
 V.P.                                 *NET SALES *          *          *          *
                                      *          ************          *          *
                                      *          *          *          *          *
                                      *PAST DUE  *          *          *          *
***************************************          *          *          *          *
 ADDTL A/C PROMISED                   *INELIGIBLE*          *          *          *
                                      *          ************          *          *
                                      *TOTAL NET *          *          *          *
***************************************          *          *          *          *
 ISSUING RECEIPTS                     *LESS RESERVE*        *          *          *
***************************************          ************************          *
 RECEIPTS / CHECKED                   *CASH      **                    *          *
***************************************          ************************          *
 CHECK ISSUED                         *                                ************
***************************************
                       TOTAL AVAIL FOR ADVANCE_______________  ************
```

A 2394

[illegible]/71 TOPPER 667 1 1

ACCTS A/C COLL BAL 0?/01/71 30403168
SALES . CRED 1,222536
IN PROCESS 37615
COLLECTIONS 233312.
ADJUSTMENTS 31429467
GROSS COLLATERAL ~~31816031~~
INELIGIBLE 07/13 5 906 340
PAST DUE MORE THAN DAYS06/30 3 539 762
NET COLLATERAL ~~22,394~~ ~~22449908~~ 21983285
DISCOUNT %
EQUITY 20% ~~4,455950~~ 4396657

A/C REC AVAILABILITY ~~17855922~~ 1756628

LOAN ACCOUNT BAL 08/01/71 ~~[illegible]~~
ADVANCES
NET COLLECTIONS
ADJ FC

CURRENT LOAN BALANCE ~~[illegible]~~ 19732932

AVAIL ON RECEIVABLES ~~[illegible]~~

OTHER COLLATERAL

% AVAILAB

TOTAL AVAILABILITY ~~[illegible]~~ ~~1823010~~ 2196304

ADDITIONAL ITEMS NOT INCLUDED ABOVE

AMOUNT REQUESTED $	SALES		
APPROVED A/C EXEC	CRED		
V.P.	NET SALES		
	PAST DUE		
AMOUNT ADV PROMISED	INELIGIBLE	666	1066720
	TOTAL NET		
MISSING RECEIPTS /	LESS RESERVE		
FILED / CHECKED	CASH	$	
CHECK ISSUED			

TOTAL AVAIL FOR ADVANCE

A 2895

P. EXH 615 10/24/74 -RH

```
2                                    TOPP-R CORPORATI.N                L77.70   GROUP  6

      ACCTS REC COLL BAL  08/01/71 839 9,004,127.
12/3  SALES 1,223,907./CRED    1,371./ 1,222,536.
12/4  IN P   ES                           37,015.
12/9  COLLECTIONS                        233,312.
        ADJUSTMENTS                                        30,366.
      GROSS COLLATERAL
        INELIGIBLE                08/035,957,945.
        PAST DUE MORE THAN 060 DAYS05/30
      NET COLLATERAL                                    5,927,579.-
        DISCOUNT      %
        EQUITY     20 %                1,185,515.          A/C REC AVAILABILITY 7,113,094.-

      LOAN ACCOUNT BAL    08/01/71 .   5,059,324.
        ADVANCES                         950,000.
        NET COLLECTIONS                  226,392.
        ADJ             FC
                                                           CURRENT LOAN BALANCE 5,782,932.

                                                           OVERDRAFT            12,896,026.-DEB

      OTHER COLLATERAL 6,424,?74.     COD " AVAILAB        OTHER COLLATERAL

                                                           OVERDRAFT            12,896,026.-DEB


                                                  ADDITIONAL ITEMS NOT INCLUDED ABOVE
      **********************************************************************************
        AMOUNT REQUESTED  $                *SALES        *         *         *          *
                                           *             ***********         *          *
        APPROVED  A/C EXEC                 *CRED         *         *         *          *
                                           *             ***********         *          *
        V.P.                               *NET SALES    *         *         *          *
                                           *             ***********         *          *
                                           *             *         *         *          *
                                           *PAST DUE     *         *         *          *
      ************************************               *         *         *          *
        ACCTS REC PROMISED                 *INELIGIBLE   *         *         *          *
                                           *             ***********         *          *
                                           *TOTAL NET    *         *         *          *
      ************************************               *         *         *          *
        MISSING RECEIPTS                   *LESS RESERVE*          *         *          *
      ************************************               *********************          *
        FIGURES / CHECK                    *CASH         **                  *          *
      ************************************               *********************          *
        CHECK ISSUED                       *                                 *          *
      ************************************                                   ************

                                              TOTAL AVAIL FOR ADVANCE        ************
```

A 2895

```
                                                                                    GROUP 3
   [illegible]          665    DELUXE TOPPER 567 OVFL

ACCTS REC COLL BAL   08/01/71         8,403,547.
   SALES                 CRED                   .
   IN PROCESS                                   .
   COLLECTIONS                                  .
   ADJUSTMENTS                                  .
GROSS COLLATERAL                                     8,403,547.
   INELIGIBLE                     08/30         .
   PAST DUE MORE THAN       DAYSC7/263,539,782.      4,863,765.
NET COLLATERAL                                  .
   STANDARD                                     .
   EQUITY        20 %.                 972,753.           A/C REC AVAILABILITY 3,891,012.

LOAN ACCOUNT BAL     08/01/71        9,000,000.
   ADVANCES                                     .
   NET COLLECTIONS                              .
   ADJ                  FC                      .         CURRENT LOAN BALANCE 9,000,000.

                                                          OVERDRAFT            5,108,988.-DEB

OTHER COLLATERAL                % AVAILAB

                                                          OVERDRAFT            5,108,988.-DEB

                                             ADDITIONAL ITEMS NOT INCLUDED ABOVE
*************************************************************************************************
  AMOUNT REQUESTED  $                         *SALES      *          *         *             *
                                              *           ************         *             *
  APPROVED  A/C EXEC                          *CRED       *          *         *             *
                                              *           ************         *             *
  V.P.                                        *NET SALES  *          *         *             *
                                              *           ************         *             *
                                              *PAST DUE   *          *         *             *
**********************************************                       *         *             *
  ADDTL REC PROMISED                          *INELIGIBLE *          *         *             *
                                              *           ************         *             *
                                              *TOTAL NET  *          *         *             *
**********************************************                       *         *             *
  MISSING RECEIPTS                            *LESS RESERVE*         *         *             *
**********************************************            ********************               *
  FIGURED / CHECKED                           *CASH       3*                   *             *
**********************************************            ********************               *
  CHECK [illegible]                           *                                ***************
**********************************************

                                         TOTAL AVAIL FOR ADVANCE               ***************
```

A 2897

```
                                                                                GROUP 3          / /
 0?/0?/71              644    OVERFLOW ON ACCT. 667

 ACCTS REC COLL BAL   08/01/71       6,995,494.
    SALES             . CRED              .
    DISCOUNTS                             .
    COLLECTIONS                           .
    ADJUSTMENTS                           .        6,995,494.
 GROSS COLLATERAL
    INELIGIBLE               03/16        .
    PAST DUE MORE THAN    DAYS03/15      .        6,995,494.
 NET COLLATERAL
    [illegible]                           .
    EQUITY     20%           1,399,098.            A/C REC AVAILABILITY 5,596 396.

 LOAN ACCOUNT BAL     08/01/71       5,000,000.
    ADVANCES                              .
    NET COLLECTIONS                       .
    ADJ              FC                   .        CURRENT LOAN BALANCE 5,000,000.

                                                   AVAIL ON RECEIVABLES    596,396.

 OTHER COLLATERAL                 % AVAILAB

                                                   TOTAL AVAILABILITY      596,396.

                                    ADDITIONAL ITEMS NOT INCLUDED ABOVE
                        *******************************************************************
 ***********************************************SALES     *         *         *            *
  AMOUNT REQUESTED $                           *          ***********         *            *
                                               *CRED      *         *         *            *
  APPROVED  A/C REC                            *          ***********         *            *
                                               *NET SALES *         *         *            *
  V.P.                                         *          ***********         *            *
                                               *          *         *         *            *
                                               *PAST DUE  *         *         *            *
 ***********************************************          *         *         *            *
  ADDL REC PROMISED                            *INELIGIBLE*         *         *            *
                                               *          ***********         *            *
                                               *TOTAL NET *         *         *            *
 ***********************************************          *         *         *            *
  MISSING RECEIPTS                             *LESS RESERVE*********************          *
 ***********************************************          *                   *            *
  FISHED / CHECKED                             *CASH      $*                  *            *
 ***********************************************          *********************            *
  CHECK ISSUED                                 *                              *            *
 ***********************************************                              **************

                                         TOTAL AVAIL FOR ADVANCE            **************
```

A 2898

```
                                                                          GROUP 3
[illegible]            DE LUXE JOBBER OVERFLOW
ACCTS REC GROSS BAL   04/01/71     6,000,000.
  SALES           . CRED
  [illegible]
  COLLECTIONS
  ADJUSTMENTS                                   6,000,000.
LESS [illegible]
  [illegible]                 01/31
  PAST DUE MORE THAN   DAYS06/10                6,000,000.
NET COLLATERAL
  DISCOUNT      %
  EQUITY     20 %               1,200,000.       A/C REC AVAILABILITY 4,800,000.

LOAN AC PRI BAL     04/01/71
  ADVANCES
  NET COLLECTIONS
  ADJ               FC                           CURRENT LOAN BALANCE

                                                 AVAIL ON RECEIVABLES 4,800,000.

OTHER COLLATERAL              % AVAILAB

                                                 TOTAL AVAILABILITY.  4,800,000.

                                       ADDITIONAL ITEMS NOT INCLUDED ABOVE
                                      *SALES,
 AMOUNT REQUESTED $                   *
                                      *CRED
 APPROVED  A/C EXEC                   *
                                      *NET SALES
 V.P.                                 *
                                      *
                                      *PAST DUE
                                      *
                                      *INELIGIBLE
 ADDTL A/C ADVISED                    *
                                      *TOTAL NET
                                      *
                                      *LESS RESERVE*
 MISSING RECEIPTS
                                      *CASH
 FIGURES / CHECKED
                                      *
 CHECK ISSUED

                                    TOTAL AVAIL FOR ADVANCE
```

A 2899

```
[illegible]/71         656    UNSHIPPED NIGHTS DE LUXE.TOPPER CORP

ACCTS REC COLL BAL   08/01/71        2,133,440.
SY SALES          . CRED                      .
   IN PROCESS                                 .
   COLLECTIONS                                .
   ADJUSTMENTS                                .
GROSS COLLATERAL                                         2,133,440.
   INELIGIBLE                     06/30       .
   PAST DUE MORE THAN         DAYS07/26       .
NET COLLATERAL                                           2,133,440.
   DISCOUNT        %                          .
   EQUITY          %                 1,066,720.
                                                          A/C REC AVAILABILITY 1,066,720.
LOAN ACCOUNT BAL     08/01/71                 .
   ADVANCES                                   .
   NET COLLECTIONS                            .
   ADJ           .   FC                       .
                                                          CURRENT LOAN BALANCE          .

                                                          AVAIL ON RECEIVABLES 1,066,720.

OTHER COLLATERAL                  % AVAILAB

                                                          TOTAL AVAILABILITY   1,066,720.

                                         ADDITIONAL ITEMS NOT INCLUDED ABOVE
***********************************************************************************
  AMOUNT REQUESTED $                      *SALES
                                          *CRED
  APPROVED  A/C EXEC                      *
                                          *NET SALES
  V.P.                                    *
                                          *PAST DUE
                                          *INELIGIBLE
  [illegible]                             *TOTAL NET
                                          *LESS RESERVE
  [illegible]                             *CASH
  [illegible]
  [illegible]
                                 TOTAL AVAIL FOR ADVANCE
```

A 2300

COS

TOPPER 667

```
07/ /71                                    [illegible]

ACCTS REC COLL BAL     07/01/71  30405168  .
   SALES         . CRED          1,257552  .
   IN PROCESS         .            156224  .
   COLLECTIONS                     351568  .
   ADJ DEBITS                              .       31469376
GROSS COLLATERAL
   INELIGIBLE             07/13 5908340    .
   PAST DUE MORE THAN     DAYS06/30 3,537782 .
NET COLLATERAL                             22,023,254.
   DISCOUNT       %                        .
   EQUITY      20 %   4,404650             .         A/C REC AVAILABILITY       .  17,618,604

LOAN ACCOUNT BAL      07/01/71    ~~[illegible]~~ CR
   ADVANCES                                .
   NET COLLECTIONS                         .
   ADJ            .   FC        .          .         CURRENT LOAN BALANCE   ~~[illegible]~~  19,877,355

                                                     AVAIL ON RECEIVABLES   ~~[illegible]~~

OTHER COLLATERAL .         .
                                % AVAILAB

                                                     TOTAL AVAILABILITY     ~~[illegible]~~  2,258,751

                                            ADDITIONAL ITEMS NOT INCLUDED ABOVE
****************************************************************************************
AMOUNT REQUESTED $                         *SALES       *          *           *             *
                                           *            ************           *             *
APPROVED A/C EXEC       1,900              *CRED        *          *           *             *
                                           *            ************           *             *
V.P.                                       *NET SALES   *          *           *             *
                                           *            ************           *             *
                             10            *            *          * 666       * 1067254     *
                                           *PAST DUE    *          *           *             *
****************************************** *            *          *           *             *
TOTAL ADV PROMISED                         *INELIGIBLE  *          *           *             *
                                           *            ************           *             *
                                           *TOTAL NET   *          *           *             *
*******************************************             *          *           *             *
[illegible]                                *LESS RESERVE*          *           *             *
*******************************************             ************************             *
[illegible]      / [illegible]             *CASH       **                      *             *
*******************************************             ************************             *
CHECK ISSUED                               *                                   *             *
*******************************************                                    ***************

                                   TOTAL AVAIL FOR ADVANCE                 1,191,497.
```

P. EXH. 606 10/24/74 - RD

```
  [illegible]             6-7        [illegible] CORPORATION                    L77.70   GROUP :        C3/31/77

    [illegible] BAL  08/01/71 339     5,004,127.
1214 SALES  1,250,[illegible]  CRED    1,371.    1,2[illegible],552.
 1225 [illegible]                     340          156,724.
  1260 [illegible]                                 351,568.
      [illegible]                                         .
    [illegible] COLLATERAL                                         69,315.
      [illegible]                          08/C55,[illegible],340.
      PAST DUE MORE THAN 0SC DAYS06/30                    .
    [illegible] COLLATERAL                                       5,838,005.-
      [illegible]                                         .
      [illegible]                              1,167,601.
                                                                    A/C REC AVAILABILITY 7,005,606.-
    LOAN ACCOUNT BAL      08/31/71              5,059,324.
      ADVANCES                                  1,150,000.
      [illegible] COLLECTIONS                     331,969.
      A J              .    FC           .              .
                                                                    CURRENT LOAN BALANCE 5,877,355.

                                                                    OVERDRAFT           12,382,961.-DEB

    OTHER COLLATERAL [illegible],474,995.                          OTHER COLLATERAL
                                          COC % AVAILAB
                                                                    OVERDRAFT           12,382,961.-DEB

                                                    ADDITIONAL ITEMS NOT INCLUDED ABOVE
    *******************************************************************************************************
     AMOUNT REQUESTED  $                          *SALES           *          *         *          *
                                                  *                ************         *          *
     APPROVED  A/C EXEC                           *CRED            *          *         *          *
                                                  *                ************         *          *
     V.P.                                         *NET SALES       *          *         *          *
                                                  *                ************         *          *
                                                  *                *          *         *          *
                                                  *PAST DUE        *          *         *          *
    ***********************************************                *          *         *          *
     ADD'L REC PROMISED                           *INELIGIBLE      *          *         *          *
                                                  *                ************         *          *
                                                  *TOTAL NET       *          *         *          *
    ***********************************************                *          *         *          *
     MISSING RECEIPTS                             *LESS RESERVE    *          *         *          *
    ***********************************************                *********************          *
     FIGURES / CHECKED                            *CASH            **                   *          *
    ***********************************************                *********************          *
     CHECK ISSUED                                 *                                     *          *
    ***********************************************                                     ************

                                                TOTAL AVAIL FOR ADVANCE ___ ___ ___ ************
```

A 2902

```
  /  /71          S    DELUXE TOPPER 667 OVFL                                   GROUP 3        / /

ACCTS REC COLL BAL    04/01/71      8,403,547.
   SALES           CR-D                      *
   [illegible]                               *
   COLLECTIONS                               *
   ADJUSTMENTS                               *
   A/C REC [illegible]                            8,403,547.
   INELIGIBLE           CR/CS                *
   PAST DUE MORE THAN   DAYSC6/303,535,782.
NET COLLATERAL                    !               4,853,765.
   LOAN PCT                                  *
   EQUITY       20.%               572,753.
                                                    A/C REC AVAILABILITY 3,891,012.
LOAN ACCOUNT BAL     04/01/71      9,000,000.
   ADVANCES                                  *
   NET COLLECTIONS                           *
   ADJ             FC                        *
                                                    CURRENT LOAN BALANCE 9,000,000.

                                                    OVERDRAFT            5,108,988.-DEB

OTHER COLLATERAL
                         % AVAILAB

                                                    OVERDRAFT            5,108,988.-DEB

                                           ADDITIONAL ITEMS NOT INCLUDED ABOVE
*****************************************************************************************
 AMOUNT REQUESTED $                *SALES        *          *     *          *
                                   *             ************     *          *
 APPROVED  A/C EXEC                *CRED         *          *     *          *
                                   *             ************     *          *
 V.P.                              *NET SALES    *          *     *          *
                                   *             ************     *          *
                                   *             *          *     *          *
                                   *PAST DUE     *          *     *          *
************************************             *          *     *          *
 AUDIT REC PREMISED                *INELIGIBLE   *          *     *          *
                                   *             ************     *          *
                                   *TOTAL NET    *          *     *          *
************************************             *          *     *          *
 MISSING RECEIPTS                  *LESS RESERVE *          *     *          *
************************************             ******************          *
 FIGURED A/C CRED                  *CASH         $*               *          *
************************************             ******************          *
 CHECK ISSUED                      *                              *          *
************************************                              ************

                                   TOTAL AVAIL FOR ADVANCE_____    ************
```

A 2203

```
 [illegible]          064    OVE-FLOW CO. ACCT. 667                              GROUP 3          / /

ACCTS REC COLL BAL     04/01/71       6,995,494.
   SALES             . CRED       .            .
   IN PROCESS                                  .
   COLLECTIONS                                 .
   ADJUSTMENTS                                 .
GROSS COLLATERAL                                   (      ,494.
   INELIGIBLE                      03/16       .
   PAST DUE MORE THAN          DAYSC3/16       .
NET COLLATERAL                                     6,995,494.
   DISCOUNT         %                          .
   EQUITY        20 %                1,399,099.
                                                          A/C REC AVAILABILITY 5,596,396.
LOAN ACCOUNT BAL       04/01/71       5,000,000.
   ADVANCES                                    .
   NET COLLECTIONS                             .
   ADJ           .    FC          .            .
                                                          CURRENT LOAN BALANCE 5,000,000.

                                                          AVAIL ON RECEIVABLES    596,396.


OTHER COLLATERAL              .       % AVAILAB

                                                          TOTAL AVAILABILITY      596,396.


                                              ADDITIONAL ITEMS NOT INCLUDED ABOVE
**********************************************************************************************
 AMOUNT REQUESTED $                        *SALES            *          *          *          *
                                           *                 ************          *          *
 APPROVED  A/C EXEC                        *CRED             *          *          *          *
                                           *                 ************          *          *
 V.P.                                      *NET SALES        *          *          *          *
                                           *                 ************          *          *
                                           *                 *          *          *          *
                                           *PAST DUE         *          *          *          *
*******************************************                  *          *          *          *
 ADDTL REC PROFILED                        *INELIGIBLE       *          *          *          *
                                           *                 ************          *          *
                                           *TOTAL NET        *          *          *          *
*******************************************                  *          *          *          *
 MISSING RECEIPTS                          *LESS RESERVE*    *          *          *          *
*******************************************                  ***********************          *
 FIGURES CHECKED                           *CASH           %*                      *          *
*******************************************                  ***********************          *
                                           *                                       *          *
 CHECKS ISSUED                             *                                       *          *
*******************************************                                        ************

                                           TOTAL AVAIL FOR ADVANCE                 ************
```

A 2904

```
  09/0?/71             5'3    DE LUXE TOPPER OVERFLO-                                     GROUP  E         / /

ACCTS REC COLL BAL    09/01/71      6,000,000.
   SALES              . CRED       .          .
   IN PROCESS                                 .
   COLLECTIONS                                .
   ADJUSTMENTS                                .
GROSS COLLATERAL                                      6,000,000.
   INELIGIBLE                   01/31         .
   PASS DUE MORE THAN       DAYS06/10         .
NET COLLATERAL                                        6,000,000.
   DISCOUNT                                   .
   EQUITY       20 %                1,200,000.
                                                           A/C REC AVAILABILITY 4,800,000.
LOAN ACCOUNT BAL      09/01/71                .
   ADVANCES                                   .
   NET COLLECTIONS                            .
   ADJ            .    FC       .             .

                                                           CURRENT LOAN BALANCE          .

                                                           AVAIL ON RECEIVABLES 4,800,000.

OTHER COLLATERAL            .
                                 % AVAILAB                                               .

                                                           TOTAL AVAILABILITY   4,800,000.

                                             ADDITIONAL ITEMS NOT INCLUDED ABOVE
*******************************************************************************************
  AMOUNT REQUESTED  $                   *SALES     *         *       *            *
                                        *          ***********       *            *
  APPROVED  A/C EXEC                    *CRED      *         *       *            *
                                        *          ***********       *            *
  V.P.                                  *NET SALES *         *       *            *
                                        *          ***********       *            *
                                        *          *         *       *            *
                                        *PAST DUE  *         *       *            *
****************************************           *         *       *            *
  ADDTL REC PROMISED                    *INELIGIBLE*         *       *            *
                                        *          ***********       *            *
                                        *TOTAL NET *         *       *            *
****************************************           *         *       *            *
  MISSING RECEIPTS                      *LESS RESERVE*       *       *            *
****************************************           *******************            *
  FIGURED / CHECKED                     *CASH     $*                 *            *
****************************************           *******************            *
  CHECK ISSUED                          *                            *            *
****************************************                             **************

                                        TOTAL AVAIL FOR ADVANCE      **************
```

A 2905

```
[illegible]/71          666    UNSHIPPED NIGHTS DE LUXE.TOPPER CORP                                    / /

ACCTS REC COLL BAL   08/01/71        2,133,440.
GROSS SALES            . CRED      .          .
   IN PROCESS                            1,068.
   COLLECTIONS                                .
   ADJUSTMENTS                                .
GROSS COLLATERAL                                     2,134,508.
   INELIGIBLE                     08/05       .
   PAST DUE MORE THAN       DAYS06/30         .
NET COLLATERAL                                       2,134,503.
   DISCOUNT       %                           .
   EQUITY     50 %                   1,067,254.
                                                            A/C REC AVAILABILITY 1,067,254.
LOAN ACCOUNT BAL      08/01/71                .
   ADVANCES                                   .
   NET COLLECTIONS                            .
   ADJ            .   FC           .          .
                                                            CURRENT LOAN BALANCE           .

                                                            AVAIL ON RECEIVABLES 1,067,254.

OTHER COLLATERAL           .
                                    % AVAILAB                                              .

                                                            TOTAL AVAILABILITY   1,067,254.

                                          ADDITIONAL ITEMS.NOT INCLUDED ABOVE
****************************************************************************************************
  AMOUNT REQUESTED  $                     *SALES        *          *          *           *
                                          *             ************          *           *
  APPROVED  A/C EXEC                      *CRED         *          *          *           *
                                          *             ************          *           *
  V.P.                                    *NET SALES    *          *          *           *
                                          *             ************          *           *
                                          *             *          *          *           *
                                          *PAST DUE     *          *          *           *
******************************************              *          *          *           *
  TOTAL REC PREMISES                      *INELIGIBLE   *          *          *           *
                                          *             ************          *           *
                                          *TOTAL NET    *          *          *           *
******************************************              *          *          *           *
  [illegible]                             *LESS RESERVE*           *          *           *
******************************************              ***********************           *
  [illegible]                             *CASH         %*                    *           *
******************************************              ***********************           *
  [illegible]                             *                                   *           *
******************************************                                    *************

                                          TOTAL AVAIL FOR ADVANCE             *************
```

A 2906

09/??/71 TOPPER 667

ACCTS REC COLL BAL 09/01/71 30403169

SALE CRED 1415776

IN PROCESS 142927

COLLECTIONS 630,420

ADJUSTMENTS

GROSS COLLATERAL 31431351

INELIGIBLE 07/13 5906340

PAST DUE MORE THAN DAYS 06/30 3535182

NET COLLATERAL 21985229

DISCOUNT %

EQUITY 20% 4,397045

A/C REC AVAILABILITY 17588184

LOAN ACCOUNT BAL 09/01/71 [illegible]

ADVANCES

NET COLLECTIONS

ADJ FC

CURRENT LOAN BALANCE [illegible] 19704188

AVAIL ON RECEIVABLES [illegible]

OTHER COLLATERAL % AVAILAB

TOTAL AVAILABILITY [illegible] 2,115954

ADDITIONAL ITEMS NOT INCLUDED ABOVE

[illegible] $

APPROVED A/C REC 115,000

V.P.

SALES			
CRED			
NET SALES		666	1066156
PAST DUE			
INELIGIBLE			
TOTAL NET			
LESS RESERVE			
CASH			

TOTAL AVAIL FOR ADVANCE 1048823

A 2907

P. EXH 607 -10/24/74 - RG

```
     ACCTS REC COLL BAL   08/01/71 340  9,004,127.
1115 SALES 1,429,058./CRED  13,282./  1,415,776.
1116   IN PROCESS                       242,827.
1261   COLLECTIONS                      650,420.
       ADJUSTMENTS                                    32,310.
     CROSS COLLATERAL
       INELIGIBLE                08/055,906,340.
       PAST DUE MORE THAN 060 DAYS06/30             5,874,030.-
     NET COLLATERAL
       DISCOUNT     %
       EQUITY      20 %                 1,174,806.      A/C REC AVAILABILITY 7,048,836.-

     LOAN ACCOUNT BAL     08/01/71      5,059,324.
       ADVANCES                         1,250,000.
       NET COLLECTIONS                    605,126.
       ADJ              FC                          CURRENT LOAN BALANCE 5,704,198.

                                                    OVERDRAFT            12,753,034.-DEB

     OTHER COLLATERAL 6,510,025.   000.% AVAILAB    OTHER COLLATERAL

                                                    OVERDRAFT            12,753,034.-DEB

                                    ADDITIONAL ITEMS NOT INCLUDED ABOVE
      ***********************************************************************************
      ADVANCE REQUESTED BY              *SALES       *          *           *
                                        *            ************           *
      APPR BY A/C EXEC                  *CRED        *          *           *
                                        *            ************           *
      V.P.                              *NET SALES   *          *           *
                                        *            ************           *
                                        *            *          *           *
                                        *PAST DUE    *          *           *
      ***********************************            *          *           *
      ADV. REQ. APPROVED                *INELIGIBLE  *          *           *
                                        *            ************           *
                                        *TOTAL NET   *          *           *
      ***********************************            *          *           *
      MICROFILM [illegible]             *LESS RESERVE*          *           *
      ***********************************            *********************  *
      ENTERED / CHECKED                 *CASH        **                  *  *
      ***********************************            *********************  *
      CHECK ISSUED                      *                                   *
      ***********************************                                   *
                                                                 ************
                                    TOTAL AVAIL FOR ADVANCE      ************
```

A 2908

```
08/05/71          655    DELUXE TOPPER 567 UVIL                                      GROUP              /  /

ACCTS REC COLL BAL     08/01/71       8,403,547.
    SALES             . CRED        .         .
    IN PROCESS              .                 .
    COLLECTIONS                               .
    ADJUSTMENTS                               .
GROSS COLLATERAL                                         8,403,547.
    INELIGIBLE                    08/05       .
    PAST DUE MORE THAN     DAYS06/303,539,782.
NET COLLATERAL                                           4,863,765.
    DISCOUNT         %
    EQUITY      20 %                   972,753.
                                                     A/C REC AVAILABILITY  3,891,012.
LOAN ACCOUNT BAL     08/01/71 .     9,000,000.
    ADVANCES                                  .
    NET COLLECTIONS                           .
    ADJ             .     FC          .       .

                                                     CURRENT LOAN BALANCE  9,000,000.

                                                     OVERDRAFT                   5,108,988.-DEB

OTHER COLLATERAL          .
                                  % AVAILAB

                                                     OVERDRAFT                   5,108,988.-DEB

                                          ADDITIONAL ITEMS NOT INCLUDED ABOVE
*******************************************************************************************
  AMOUNT REQUESTED  $              *SALES         *          *          *              *
                                   *              ************          *              *
  APPROVED  A/C EXEC               *CRED          *          *          *              *
                                   *              ************          *              *
  V.P.                             *NET SALES     *          *          *              *
                                   *              ************          *              *
                                   *              *          *          *              *
                                   *PAST DUE      *          *          *              *
***********************************               *          *          *              *
  [illegible]                      *INELIGIBLE    *          *          *              *
                                   *              ************          *              *
                                   *TOTAL NET     *          *          *              *
***********************************               *          *          *              *
  [illegible]                      *LESS RESERVE  *          *          *              *
***********************************               ***********************              *
  [illegible] / CHECKED            *CASH         $*                     *              *
***********************************               ***********************              *
  [illegible]                      *                                    *              *
***********************************                                     ****************

                                        TOTAL AVAIL FOR ADVANCE         ****************
```

A 2909

```
04/05/71          664    OVERFLOW ON ACCT. 657                                   GROUP        7

   ACCTS REC COLL BAL    03/01/71       6,995,494.
      SALES             . CRED         .           .
      IN PROCESS                                   .
      COLLECTIONS                                  .
      ADJUSTMENTS                                  .
   GROSS COLLATERAL                                    6,995,494.
      INELIGIBLE                    03/16          .
      PAST DUE MORE THAN        DAYS03/16          .
   NET COLLATERAL                                      6,995,494.
      DISCOUNT        %
      EQUITY       20 %                 1,399,098.
                                                            A/C REC AVAILABILITY 5,596,396.
   LOAN ACCOUNT BAL      03/01/71       5,000,000.
      ADVANCES                                     .
      NET COLLECTIONS                              .
      ADJ               .  FC                      .

                                                            CURRENT LOAN BALANCE 5,000,000.

                                                            AVAIL ON RECEIVABLES    596,396.

   OTHER COLLATERAL
                                  % AVAILAB

                                                            TOTAL AVAILABILITY      596,396.

                                        ADDITIONAL ITEMS-NOT INCLUDED ABOVE
   ************************************************************************************************
   AMOUNT REQUESTED $                        *SALES       *          *         *          *
                                             *            ************         *          *
   APPROVED  A/C EXEC                        *CRED        *          *         *          *
                                             *            ************         *          *
   V.P.                                      *NET SALES   *          *         *          *
                                             *            ************         *          *
                                             *            *          *         *          *
                                             *PAST DUE    *          *         *          *
   *******************************************            *          *         *          *
   NOTE REC [illegible]                      *INELIGIBLE  *          *         *          *
                                             *            ************         *          *
                                             *TOTAL NET   *          *         *          *
   *******************************************            *          *         *          *
   [illegible]                               *LESS RESERVE*          *         *          *
   *******************************************************************         *          *
   [illegible] / CHECKED                     *CASH        **                   *          *
   *******************************************************************         *          *
   [illegible]                               *                                 *          *
   *******************************************                                 ************

                                     TOTAL AVAIL FOR ADVANCE       ************
```

A 2910

```
03/05/71            663   DE LUXE TOPPER OVERFLOW                          GROUP 4        / /

ACCTS REC COLL BAL    03/01/71     6,000,000.
    SALES           . CRED      .             .
    IN PROCESS      .                         .
    COLLECTIONS                               .
    ADJUSTMENTS                               .
GROSS COLLATERAL                                   6,000,000.
    INELIGIBLE                 01/71          .
    PAST DUE MORE THAN       DAYS06/10        .
NET COLLATERAL                            1        6,000,000.
    DISCOUNT          %                       .
    EQUITY       20 %                1,200,000.
                                                         A/C REC AVAILABILITY  4,800,000.
LOAN ACCOUNT BAL     03/01/71                 .
    ADVANCES                                  .
    NET COLLECTIONS                           .
    ADJ             .    FC       .           .
                                                         CURRENT LOAN BALANCE           .

                                                         AVAIL ON RECEIVABLES  4,800,000.

OTHER COLLATERAL             .
                                  % AVAILAB                                             .

                                          . .            TOTAL AVAILABILITY ,  4,800,000.

                                          ADDITIONAL ITEMS NOT INCLUDED ABOVE
*************************************************************************************************
  [illegible] SUBMITTED $              *SALES      *          *          *          *
                                       *           ************          *          *
  [illegible] A/C REC                  *CRED       *          *          *          *
                                       *           ************          *          *
  V.P.                                 *NET SALES  *          *          *          *
                                       *           ************          *          *
                                       *           *          *          *          *
                                       *PAST DUE   *          *          *          *
***************************************            *          *          *          *
  [illegible] SUBMITTED                *INELIGIBLE *          *          *          *
                                       *           ************          *          *
                                       *TOTAL NET  *          *          *          *
***************************************            *          *          *          *
  [illegible]                          *LESS RESERVE*         *          *          *
***************************************           ***********************          *
  [illegible]                          *CASH     2*                     *          *
***************************************           ***********************          *
  [illegible]                          *                                 *          *
***************************************                                  ************

                                TOTAL AVAIL FOR ADVANCE                  *************
```

A 2911

```
0[illegible]/71          666   UNSHIPPED RIGHTS OF LUKE,TOPPER CORP

ACCTS R/C COLL BAL   08/01/71        2,133,440.
60 SALES      1,068 ✓CRED          —     1,068.
   IN PROCESS                                2,196.
—  COLLECTIONS
   ADJUSTMENTS                                      2,132,312.
GROSS COLLATERAL
   INELIGIBLE                    08/05
   PAST DUE MORE THAN         DAYS06/30
NET COLLATERAL                                       2,132,312.
   DISCOUNT          %
   EQUITY      50 %                    1,066,156.
                                                       A/C REC AVAILABILITY 1,066,156.
LOAN ACCOUNT BAL     08/01/71
   ADVANCES
   NET COLLECTIONS
   ADJ               FC
                                                       CURRENT LOAN BALANCE

                                                       AVAIL ON RECEIVABLES 1,066,156.

OTHER COLLATERAL                   % AVAILAB

                                                       TOTAL AVAILABILITY    1,066,156.

                                     ADDITIONAL ITEMS NOT INCLUDED ABOVE
 AMOUNT REQUESTED $              *SALES
                                 *CRED'
 APPROVED  A/C REC
                                 *NET SALES
 V.P.

                                 *PAST DUE

 A/C REC PROCESSED               *INELIGIBLE

                                 *TOTAL NET

 MISSI [illegible]                *LESS RESERVE

 [illegible] / CHECKED           *CASH

 CHECK ISSUED

                                  TOTAL AVAIL FOR ADVANCE
```

A 2912

TOPPER 667

09/30/71 ~~[illegible]~~

ACCTS REC COLL BAL 09/01/71 30403108
SALES CRED 1,658604
IN PROCESS ~~[illegible]~~
COLLECTIONS 944956 ~~[illegible]~~
ADJUSTMENTS 60256 31156560.
GROSS COLLATERAL
INELIGIBLE 07/13 5906140.
PAST DUE MORE THAN DAYS 06/30 3519752. 21710418.
NET COLLATERAL
DISCOUNT
EQUITY 20% 4,342,087. A/C REC AVAILABILITY 17368351

LOAN ACCOUNT BAL 09/01/71 ~~[illegible]~~
ADVANCES
NET COLLECTIONS
ADJ FC

CURRENT LOAN BALANCE ~~[illegible]~~ 19657604
AVAIL ON RECEIVABLES ~~[illegible]~~

OTHER COLLATERAL % AVAILAB

TOTAL AVAILABILITY ~~[illegible]~~ ~~[illegible]~~
2,239,253

ADDITIONAL ITEMS NOT INCLUDED ABOVE

AMOUNT REQUESTED $
APPROVED A/C EXEC [illegible]
V.P.

ACCTL REC PROCESSED
3/13 $104

MISC RECEIPTS
FIGURES CHECKED
CHECK ISSUED

SALES 1217	193754 830		154763
CRED			
NET SALES			
PAST DUE		666	1066,156
INELIGIBLE			
TOTAL NET			
LESS RESERVE			
CASH			

TOTAL AVAIL FOR ADVANCE 1068337

P. EXH 608 10/24/74 · RD

A 2913

```
    09/01/71           667         TOPPER CORPORATION                         L77.70   GROUP  7         09/31/77

    ACCTS REC COLL BAL    08/01/71 340, 9,004,127.
1210 SALES 1,671,386./CRED   13,282./ 1,658,604.
      IN PROCESS.                           844,956./
121% COLLECTIONS                            50,256.-
      ADJUSTMENTS                                       242,481.-
    GROSS COLLATERAL
      INELIGIBLE                    08/055,906,340.
      PAST DUE MORE THAN 060 DAYS06/30                  6,148,821.-
    NET COLLATERAL
      DISCOUNT          %
      EQUITY       20   %                  1,229,764.        A/C REC AVAILABILITY 7,378,585.-

    LOAN ACCOUNT BAL     09/01/71          5,059,324.
      ADVANCES                             1,425,000.
      NET COLLECTIONS                        826,720.
      ADJ               FC                                    CURRENT LOAN BALANCE 5,657,604.

                                                              OVERDRAFT              13,036,189.-DEB

    OTHER COLLATERAL 6,510,025.     000 % AVAILAB             OTHER COLLATERAL

                                                              OVERDRAFT              13,036,189.-DEB


                                             ADDITIONAL ITEMS NOT INCLUDED ABOVE
    ****************************************************************************************
    AMOUNT REQUESTED  $                    *SALES        ***********  *           *
                                           *             *            *           *
    APPROVED  A/C EXEC                     *CRED         ***********  *           *
                                           *             *            *           *
    V.P.                                   *NET SALES    ***********  *           *
                                           *             *            *           *
                                           *PAST DUE     *         *  *           *
    ***************************************             *         *  *           *
    ACCTL REC PROMISED                     *INELIGIBLE   ***********  *           *
                                           *TOTAL NET    *         *  *           *
    ***************************************LESS RESERVE*         *  *           *
    MISSING RECEIPTS                                     ****************          *
    ***************************************CASH         %*          *              *
    FIGURED / CHECKED                                    ****************          *
    ***************************************                            *************
    CHECK ISSUED
    ***************************************
                                                                       *************
                                 TOTAL AVAIL FOR ADVANCE ______________
```

A 2914

```
08/[illegible]/71          655    DELUXE TOPPER 667 OVFL                              GROUP [illegible]        / /

ACCTS REC COLL BAL    08/01/71        8,403,547.
   SALES              . CRED       .           .
   IN PROCESS      .           . - -           .
   COLLECTIONS                     -           .
   ADJUSTMENTS                     -           .
GROSS COLLATERAL                                    8,403,547.
   INELIGIBLE  .               08/05           .
   PAST DUE MORE THAN      DAYS06/303,539,782.
NET COLLATERAL                   .       1          4,863,765.
   DISCOUNT        %                           .
   EQUITY      20 %                  972,753.
                                                       A/C REC AVAILABILITY 3,891,012.
LOAN ACCOUNT BAL     08/01/71        9,000,000.
   ADVANCES                                    .
   NET COLLECTIONS                             .
   ADJ             .  FC          .            .
                                                       CURRENT LOAN BALANCE 9,000,000.

                                                       OVERDRAFT       .       5,108,988.-DEB

 OTHER COLLATERAL
                                  % AVAILAB

                                                       OVERDRAFT               5,108,938.-DEB

                                       ADDITIONAL ITEMS NOT INCLUDED ABOVE
*****************************************************************************************
  AMOUNT REQUESTED  $              *SALES       *         *      *         *
                                   *            ***********      *         *
  APPROVED  A/C EXEC               *CRED        *         *      *         *
                                   *            ***********      *         *
  V.P.                             *NET SALES   *         *      *         *
                                   *            ***********      *         *
                                   *            *         *      *         *
                                   *PAST DUE    *         *      *         *
***********************************             *         *      *         *
  ADDTL REC PROMISED               *INELIGIBLE  *         *      *         *
                                   *            ***********      *         *
                                   *TOTAL NET   *         *      *         *
***********************************             *         *      *         *
  MISSING RECEIPTS                 *LESS RESERVE*         *      *         *
***********************************             ******************         *
  FIGURES / CHECKED                *CASH      %*                 *         *
***********************************             ******************         *
  CHECK ISSUED                     *                             *         *
***********************************                              ***********

                                   TOTAL AVAIL FOR ADVANCE ___ _ ___ ***********
```

A 2915

```
 08/[illegible]/71          664    OVERFLOW ON ACCT. 667                                     GROUP  3       / /

 ACCTS REC COLL. BAL    08/01/71       6,995,494.
    SALES            . CRED
    IN PROCESS
    COLLECTIONS
    ADJUSTMENTS
 GROSS COLLATERAL                                       6,995,494.
    INELIGIBLE                    03/16
    PAST DUE MORE THAN        DAYS03/16
 NET COLLATERAL                                         6,995,494.
    DISCOUNT          %
    EQUITY       20  %                 1,399,098.              A/C REC AVAILABILITY 5,596,396.

 LOAN ACCOUNT BAL      08/01/71        5,000,000.
    ADVANCES
    NET COLLECTIONS
    ADJ                FC                                       CURRENT LOAN BALANCE 5,000,000.

                                                                AVAIL ON RECEIVABLES   596,396.

 OTHER COLLATERAL                % AVAILAB

                                                                TOTAL AVAILABILITY     596,396.

                                                 ADDITIONAL ITEMS NOT INCLUDED ABOVE
   AMOUNT REQUESTED  $                   *SALES
                                         *CRED
   APPROVED  A/C EXEC
                                         *NET SALES
   V.P.

                                         *PAST DUE

                                         *INELIGIBLE
   ADDTL REC PROMISED
                                         *TOTAL NET

                                         *LESS RESERVE
   MISSING RECEIPTS
                                         *CASH        $
   FIGURED / CHECKED

   CHECK ISSUED

                                          TOTAL AVAIL FOR ADVANCE ____
```

A 2916

```
                                                                        GROUP  4         /  /
  08/09/71          (A)   DE LUXE TOPPER OVERFLOW

ACCTS REC COLL BAL     08/01/71      6,000,000.
   SALES              . CRED
   IN PROCESS
   COLLECTIONS
   ADJUSTMENTS                                   6,000,000.
GROSS COLLATERAL
   INELIGIBLE                01/31
   PAST DUE MORE THAN      DAYS06/10             5,000,000.
NET COLLATERAL
   DISCOUNT          %
   EQUITY       20 %              1,200,000.          A/C REC AVAILABILITY 4,900,000.

LOAN ACCOUNT BAL       08/01/71
   ADVANCES
   NET COLLECTIONS
   ADJ                 FC                             CURRENT LOAN BALANCE

                                                      AVAIL ON RECEIVABLES 4,900,000.

 OTHER COLLATERAL               % AVAILAB

                                                      TOTAL AVAILABILITY   4,900,000.

                                          ADDITIONAL ITEMS NOT INCLUDED ABOVE
 **********************************************************************************
  AMOUNT REQUESTED  $                    *SALES     *          *         *         *
                                         *          ************         *         *
  APPROVED  A/C EXEC                     *CRED      *          *         *         *
                                         *          ************         *         *
  V.P..                                  *NET SALES *          *         *         *
                                         *          ************         *         *
                                         *PAST DUE  *          *         *         *
 *****************************************          *          *         *         *
  ADDTL REC PROMISED                     *INELIGIBLE*          *         *         *
                                         *          ************         *         *
                                         *TOTAL NET *          *         *         *
 *****************************************          *          *         *         *
  MISSING RECEIPTS                       *LESS RESERVE*        *         *         *
 *****************************************          **********************         *
  FIGURES / CHECKED                      *CASH      %*                   *         *
 *****************************************          **********************         *
  CHECK ISSUED                           *                               ***********
 *****************************************
                                     TOTAL AVAIL FOR ADVANCE ____ ____   ***********
```

A 2917

```
08/31/71          6/5   UNSHIPPED RIGHTS DE LUXE,TOPPER CORP

  ACCTS REC COLL BAL  08/01/71 61   2,133,440.
60 SALES     1,068./CRED   2,196./      1,128.-
     IN PROCESS
     COLLECTIONS
     ADJUSTMENTS                               2,132,312.
  GROSS COLLATERAL
     INELIGIBLE               08/05
     PAST DUE MORE THAN   DAYS06/30            2,132,312.
  NET COLLATERAL
     DISCOUNT       %
     EQUITY      50 %          1,066,156.           A/C REC AVAILABILITY 1,066,156.

  LOAN ACCOUNT BAL    08/01/71
     ADVANCES
     NET COLLECTIONS
     ADJ             FC                             CURRENT LOAN BALANCE

                                                    AVAIL ON RECEIVABLES 1,066,156.

  OTHER COLLATERAL
                           % AVAILAB
                                                    TOTAL AVAILABILITY   1,066,156.

                                     ADDITIONAL ITEMS NOT INCLUDED ABOVE
  AMOUNT REQUESTED  $              *SALES
                                   *CRED
  APPROVED  A/C EXEC
                                   *NET SALES
  V.P.
                                   *PAST DUE

                                   *INELIGIBLE
  ACCTS REC PROMISED
                                   *TOTAL NET

                                   *LESS RESERVE*
  MISSING RECEIPTS
                                   *CASH      %*
  FIGURED / CHECKED

  CHECK ISSUED

                                   TOTAL AVAIL FOR ADVANCE
```

A 2918

TOPPER 667

08/1?/71 [redacted]

ACCTS REC COLL BAL 08/01/71 30403168
SALES CRED 1852058
IN PROCESS 153046
COLLECTIONS 460553
ADJUSTMENTS 60256-
GROSS COLLATERAL 31337603.
INELIGIBLE 07/13 5966340
PAST DUE MORE THAN DAYS 60/30 3,534752
NET COLLATERAL 21941451.
DISCOUNT %
EQUITY 20% 4,317,246.

A/C REC AVAILABILITY 17553185

LOAN ACCOUNT BAL 08/01/71 [illegible] CR
ADVANCES
NET COLLECTIONS
ADJ FC

CURRENT LOAN BALANCE ~~[illegible]~~ 19,765861

AVAIL ON RECEIVABLES ~~[illegible]~~

OTHER COLLATERAL % AVAILAB

TOTAL AVAILABILITY ~~[illegible]~~ 2,215676

ADDITIONAL ITEMS NOT INCLUDED ABOVE

AMOUNT REQUESTED $

APPROVED A/C EXEC

V.P. 225,000-

CY

ADDTL REC PROCESSED

MISSING RECEIPTS

CHECKED

CK ISSUED

SALES		
CRED		
NET SALES		
PAST DUE	666	1066156
INELIGIBLE		
TOTAL NET		
LESS RESERVE		
CASH		
TOTAL AVAIL FOR ADVANCE		1149520

A 2919

P. EXH 609 10/24/74-RB

```
09/13/71              557              TOPPER CORPORATION              L77.70   GROUP  4     03/31/71

ACCTS REC COLL BAL    09/01/71   910   9,004,127.
1217 SALES 1,855,340./CRED  13,292./   1,852,058.
1213 IN PROCESS               841        155,076.
126 3 COLLECTIONS                        550,393.
   ADJUSTMENTS                            60,256.-        11,438.-
GROSS COLLATERAL
   INELIGIBLE                    08/055,906,340.
   PAST DUE MORE THAN 060 DAYS06/30       1.          5,917,778.-
NET COLLATERAL
   DISCOUNT
   EQUITY      20 %                    1,123,555.         A/C REC AVAILABILITY 7,101,333.-

LOAN ACCOUNT BAL      09/01/71         5,059,324.
   ADVANCES                            1,650,000.
   NET COLLECTIONS                       940,463.
   ADJ              FC                                    CURRENT LOAN BALANCE 5,768,861.

                                                          OVERDRAFT              12,870,194.-DEB

OTHER COLLATERAL 6,682,554.       COC % AVAILAB           OTHER COLLATERAL

                                                          OVERDRAFT              12,870,194.-DEB

                                          ADDITIONAL ITEMS NOT INCLUDED ABOVE
  AMOUNT REQUESTED  $                     *SALES
                                          *CRED
  APPROVED  A/C EXEC                      *NET SALES
  V.P.
                                          *PAST DUE
                                          *INELIGIBLE
  ACCTL REC PROMISED                      *TOTAL NET
                                          *LESS RESERVE
  MISSING RECEIPTS                        *CASH       %
  FIGURED / CHECKED
   CCK ISSUED
                                          TOTAL AVAIL FOR ADVANCE
```

A 2920

```
  08/12/71            415    DELUXE TOPPER 657 CVFL                                 GROUP

   ACCTS REC COLL BAL    08/01/71      8,403,547.
      SALES              . CRED         .         .
      IN PROCESS              .                   .
      COLLECTIONS                                 .
      ADJUSTMENTS                                 .
   GROSS COLLATERAL                                     8,403,547.
      INELIGIBLE                    08/05         .
      PAST DUE MORE THAN      DAYS06/303,539,782.
   NET COLLATERAL                                       4,863,765.
      DISCOUNT           %
      EQUITY       20 %                  972,753.
                                                            A/C REC AVAILABILITY 3,891,012.
   LOAN ACCOUNT BAL      08/01/71      9,000,000.
      ADVANCES                                    .
      NET COLLECTIONS                             .
      ADJ            .   FC                       .
                                                            CURRENT LOAN BALANCE 9,000,000.

                                                            OVERDRAFT              5,108,988.-DEB

 . OTHER COLLATERAL        .
                                  % AVAILAB

                                                            OVERDRAFT              5,108,988.-DEB

                                          ADDITIONAL ITEMS NOT INCLUDED ABOVE

   AMOUNT REQUESTED  $                     *SALES

   APPROVED  A/C EXEC                      *CRED

   V.P.                                    *NET SALES


                                           *PAST DUE

                                           *INELIGIBLE
   ADDTL REC PROMISED
                                           *TOTAL NET

                                           *LESS RESERVE*
   MISSING RECEIPTS
                                           *CASH         $*
   FIGURED / CHECKED

   CHECK ISSUED

                                          TOTAL AVAIL FOR ADVANCE ____ ____
```

A 2921

```
04/13/71              664    OVERFLOW ON ACCT. 667                                  GROUP  X        /  /

ACCTS R/C COLL BAL   04/01/71       6,995,494.
   SALES           . CRED      .             .
   IN PROCESS.                               .
   COLLECTIONS                               .
   ADJUSTMENTS                               .
GROSS COLLATERAL                                      6,995,494.
   INELIGIBLE                      03/16     .
   PAST DUE MORE THAN          DAYS03/16     .
NET COLLATERAL                         .  $           6,995,494.
   DISCOUNT                                  .
   EQUITY        20.                1,399,098.              A/C REC AVAILABILITY 5,596,396.

LOAN ACCOUNT BAL     04/01/71       5,000,000.
   ADVANCES                                  .
   NET COLLECTIONS                           .
   ADJ          .   FC                       .                CURRENT LOAN BALANCE 5,000,000.

                                                              AVAIL ON RECEIVABLES   596,396.

CTHER COLLATERAL                  $ AVAILAB

                                                              TOTAL AVAILABILITY     596,396.

                                                ADDITIONAL ITEMS NOT INCLUDED ABOVE
******************************************************************************************************
 AMOUNT REQUESTED  $                           *SALES         *           *            *              *
                                               *              *************            *              *
 APPROVED  A/C EXEC                            *CRED          *           *            *              *
                                               *              *************            *              *
 V.P.                                          *NET SALES     *           *            *              *
                                               *              *************            *              *
                                               *              *           *            *              *
                                               *PAST DUE      *           *            *              *
************************************************              *           *            *              *
 ADDTL REC PROMISED                            *INELIGIBLE    *           *            *              *
                                               *              *************            *              *
                                               *TOTAL NET     *           *            *              *
                                               *              *           *            *              *
************************************************LESS RESERVE  *           *            *              *
 MISSING RECEIPTS                              *              **************************              *
************************************************CASH         $*                        *              *
 FIGURED / CHECKED                             *              **************************              *
************************************************                                       *              *
 CHECK ISSUED                                  *                                       ****************
************************************************
                                                  TOTAL AVAIL FOR ADVANCE              ****************
```

```
08/13/71            553   DE LUXE TOPPER *OVERFLOW*                                   GROUP 3       /  /

ACCTS REC COLL BAL    08/01/71        6,000,000.
   SALES             . CRED        .          .
   IN PROCESS        .                        .
   COLLECTIONS                                .
   ADJUSTMENTS                                .
GROSS COLLATERAL                                   6,000,000.
   INELIGIBLE                  01/31          .
   PAST DUE MORE THAN       DAYS06/10         .
NET COLLATERAL                      .         .    6,000,000.
   DISCOUNT          %                        .
   EQUITY      20 %                   1,200,000.        A/C REC AVAILABILITY 4,800,000.

LOAN ACCOUNT BAL     08/01/71                 .
   ADVANCES                                   .
   NET COLLECTIONS                            .
   ADJ          .    FC          .            .         CURRENT LOAN BALANCE              .

                                                        AVAIL ON RECEIVABLES 4,800,000.

OTHER COLLATERAL           .                                                              .
                                    % AVAILAB

                                                        TOTAL AVAILABILITY   4,900,000.

                                             ADDITIONAL ITEMS NOT INCLUDED ABOVE
  ******************************************************************************************
   AMOUNT REQUESTED  $                    *SALES       *          *         *          *
                                          *            ************         *          *
   APPROVED  A/C EXEC                     *CRED        *          *         *          *
                                          *            ************         *          *
   V.P.                                   *NET SALES   *          *         *          *
                                          *            ************         *          *
                                          *            *          *         *          *
                                          *PAST DUE    *          *         *          *
  *****************************************            *          *         *          *
   AUDIT REC PROVIDED                     *INELIGIBLE  *          *         *          *
                                          *            ************         *          *
                                          *TOTAL NET   *          *         *          *
  *****************************************            *          *         *          *
   MISSING RECEIPTS                       *LESS RESERVE*          *         *          *
  *****************************************            **********************          *
   FINISHED / CHECKED                     *CASH       %*                    *          *
  *****************************************            **********************          *
   CHECK ISSUED                           *                                 *          *
  *****************************************                                 ************

                                           TOTAL AVAIL FOR ADVANCE _ _ _    ************
```

A 2323

```
04/13/71          6/-    UNSHIPPED RIGHTS OF LOEW,TIPPER CORP

ACCTS REC COLL BAL   04/01/71 61  /2,133,440.
60 SALES      1,067./CRED   2,196./       1,129.-
    IN PROCESS                                .
-   COLLECTIONS                             -.
    ADJUSTMENTS                               .
GROSS COLLATERAL                                   2,132,312.
    INELIGIBLE                 08/05          .
    PAST DUE MORE THAN     DAYSC06/30         .
NET COLLATERAL                                     2,132,312.
    DISCOUNT                                  .
    EQUITY       50.%               1,066,156.  _A/C REC AVAILABILITY 1,066,156.

LOAN ACCOUNT BAL     04/01/71                 .
    ADVANCES                                  .
    NET COLLECTIONS                           .
    ADJ         .  FC                         .      CURRENT LOAN BALANCE        .

                                                     AVAIL ON RECEIVABLES 1,066,156.

OTHER COLLATERAL            % AVAILAB                                            .

                                                     TOTAL AVAILABILITY   1,066,156.

                                  ADDITIONAL ITEMS NOT INCLUDED ABOVE
*****************************************************************************************
   AMOUNT REQUESTED  $                 *SALES      *        *        *          *
                                       *           **********        *          *
   APPROVED  A/C EXEC                  *CRED       *        *        *          *
                                       *           **********        *          *
   V.P.                                *NET SALES  *        *        *          *
                                       *           **********        *          *
                                       *PAST DUE   *  66    *        *          *
***************************************                     *        *          *
   ADDIL REC PROCESSED                 *INELIGIBLE *        *        *          *
                                       *           **********        *          *
                                       *TOTAL NET  *        *        *          *
***************************************                     *        *          *
   MISSING RECEIPTS                    *LESS RESERVE*****************          *
***************************************                              *          *
   REGISTERED / CHECKED                *CASH      %*                 *          *
***************************************            ******************           *
   BCK ISSUED                          *                              ************
***************************************
                          TOTAL AVAIL FOR ADVANCE_________            ************
```

A 2924

```
ACCTS REC COLL BAL    08/01/71     30403165.
   SALES          . CRED          . 2005085.
   IN PROCESS.    .                  243244.
   COLLECTIONS                      1011382.
   ADJUSTMENTS                        60256.
GROSS COLLATERAL                              31579914.
   INELIGIBLE                 07/135906340.
   PAST DUE MORE THAN      DAYS06/303534782.
NET COLLATERAL                   .   $        22133792.
   DISCOUNT         %
   EQUITY      20.%                 4426758.
                                                          A/C REC AVAILABILITY17707034
LOAN ACCOUNT BAL      08/01/71      ~~[illegible]~~ CR
   ADVANCES                               .
   NET COLLECTIONS                        .
   ADJ            .   FC        .         .
                                                                 19944161
                                                   CURRENT LOAN BALANCE    ~~[illegible]~~

                                                   AVAIL ON RECEIVABLES    ~~[illegible]~~
OTHER COLLATERAL           .                                       2237127
                              $ AVAILAB

                                                   TOTAL AVAILABILITY      ~~[illegible]~~
                                                                  2237127
                                  ADDITIONAL ITEMS NOT INCLUDED ABOVE
*****************************************************************************
  AMOUNT REQUESTED  $              *SALES      *          *          *          *
                                   *           ************          *          *
  APPROVED  A/C EXEC   1,500,000   *CRED       *          *          *          *
                                   *           ************          *          *
  V.P.                             *NET SALES  *          *          *          *
                        X          *           ************          *          *
                                   *           *          *          *          *
                                   *PAST DUE   *          *          *          *
***********************************            *          *          *          *
  ADDL. REC PROMISED               *INELIGIBLE *          *          *          *
   7/11           134 ttt          *           ************   666    *  1066156 *
                                   *TOTAL NET  *          *          *          *
***********************************            *          *          *          *
  MISSING RECEIPTS                 *LESS RESERVE*         *          *          *
***********************************            ***********************          *
  FIGURED / CHECKED                *CASH      $*                     *          *
***********************************            ***********************          *
  CHECK ISSUED                     *                                 *          *
***********************************                                  ************
                                                                       1170971
                                   TOTAL AVAIL FOR ADVANCE             ************
```

A 2925

P. EXH 610

```
   09/13/71            657          TOPPER CORPORATION                 L77.70   GROUP  3       08/31/71

  ACCTS REC COLL BAL  , 08/01/71 341, 9,004,127.
1213 SALES 2,019,067. CRED  13,977./ 2,005,085.
1215, IN PROCESS .                 243271  249,422- , # credit not pickup.
1214 COLLECTIONS                      1,011,382./
       ADJUSTMENTS                        60,256.-
  GROSS COLLATERAL                                    206,996.
       INELIGIBLE                   08/055,906.340.
       PAST DUE MORE THAN 060 DAYS06/30          .
  NET COLLATERAL                                    5,699,344.-
       DISCOUNT                                  .
       EQUITY     20 %                 1,139,868.
                                                         A/C REC AVAILABILITY 5,839,212.-
  LOAN ACCOUNT BAL     09/01/71        5,059,324.
       ADVANCES                        1,875,000.
       NET COLLECTIONS                   990,163.
       ADJ            .     FC         .         .
                                                         CURRENT LOAN BALANCE 5,944,161.

                                                         OVERDRAFT              12,783,373.-DEB

  OTHER COLLATERAL 6,682,954.
                                  000 % AVAILAB          OTHER COLLATERAL                    .

                                                         OVERDRAFT              12,783,373.-DEB


                                            ADDITIONAL ITEMS NOT INCLUDED ABOVE
  ************************************************************************************************
    AMOUNT REQUESTED  $                   *SALES           *          *        *          *
                                          *                ************        *          *
    APPROVED  A/C EXEC                    *CRED            *          *        *          *
                                          *                ************        *          *
    V.P.                                  *NET SALES       *          *        *          *
                                          *                ************        *          *
                                          *                *          *        *          *
                                          *PAST DUE 642    * 26123 #  *        *          *
  ****************************************                 *          *        *          *
    ADJUST REC PROCESS $                  *INELIGIBLE      *          *        *          *
                                          *                ************        *          *
                                          *TOTAL NET       *          *        *          *
  ****************************************                 *          *        *          *
    MISSING RECEIPTS                      *LESS RESERVE    *          *        *          *
  ****************************************                 *********************          *
    FIGURED / CHECKED                     *CASH         $  *                   *          *
  ****************************************                 *********************          *
    CHECK ISSUED                          *                                    *          *
  ****************************************                                     ************

  ________________________________ TOTAL AVAIL FOR ADVANCE ____________________************________

                                                                                              A 2926
```

```
                                                                       GROUP  3
   08/11/71            665   DELUXE TOPPER 667 CVFL

 ACCTS REC COLL BAL    08/01/71      8,403,547.
    SALES            . CRED
    IN PROCESS
    COLLECTIONS
    ADJUSTMENTS                                     8,403,547.
 GROSS COLLATERAL
    INELIGIBLE                   08/05
    PAST DUE MORE THAN     DAYS08/303,535,792.      4,863,765.
 NET COLLATERAL
    DISCOUNT        %
    EQUITY     20 %                 972,753.
                                                        A/C REC AVAILABILITY 3,891,012.

 LOAN ACCOUNT BAL     08/01/71      9,000,000.
    ADVANCES
    NET COLLECTIONS.
    ADJ            .  FC
                                                        CURRENT LOAN BALANCE 9,000,000.

                                                        OVERDRAFT            5,108,988.-DEB

 OTHER COLLATERAL                    % AVAILAB

                                                        OVERDRAFT            5,108,988.-DEB

                                          ADDITIONAL ITEMS NOT INCLUDED ABOVE

   AMOUNT REQUESTED  $                  *SALES
   APPROVED  A/C EXEC                   *CRED'
   V.P.                                 *NET SALES

                                        *PAST DUE
                                        *INELIGIBLE
   ADDTL REC PROMISED
                                        *TOTAL NET
                                        *LESS RESERVE
   MISSING RECEIPTS
                                        *CASH         $
   FIGURED / CHECKED

   CHECK ISSUED

                                        TOTAL AVAIL FOR ADVANCE
```

A 2927

```
     08/11/71             614    C.FARLOW ON ACCT. 557

  ACCTS REC COLL BAL    08/01/71          6,995,494.
     SALES               . CRED           .
     IN PROCESS         .
     COLLECTIONS
     ADJUSTMENTS                                      6,995,494.
  GROSS COLLATERAL
     INELIGIBLE                    03/16
     PAST DUE MORE THAN         DAYS03/16             6,995,494.
  NET COLLATERAL                          -     1
     DISCOUNT          %
     EQUITY         20 %                  1,399,098.        A/C REC AVAILABILITY 5,596,396.

  LOAN ACCOUNT BAL      08/01/71          5,000,000.
     ADVANCES
     NET COLLECTIONS
     ADJ              .   FC                                CURRENT LOAN BALANCE 5,000,000.

                                                            AVAIL ON RECEIVABLES   596,396.

  OTHER COLLATERAL       .         % AVAILAB

                                                            TOTAL AVAILABILITY     596,396.

                                           ADDITIONAL ITEMS NOT INCLUDED ABOVE
  ******************************************************************************************
   AMOUNT REQUESTED  $                   *SALES
                                         *
   APPROVED  A/C EXEC                    *CRED
                                         *
   V.P.                                  *NET SALES
                                         *
                                         *
                                         *PAST DUE
  ****************************************
                                         *INELIGIBLE
   ACCTL REC REALIZED
                                         *TOTAL NET
  ****************************************
                                         *LESS RESERVE*
   MISSING RECEIPTS
  ****************************************
                                         *CASH       $*
   FIGURED / CHECKED
  ****************************************
                                         *
   CHECK ISSUED
  ****************************************

                                         TOTAL AVAIL FOR ADVANCE
```

A 2928

```
09/11/71             643   DE LUXE TOPPER #OVERFLOW              GROUP 5        /  /

ACCTS REC COLL BAL    08/01/71      6,000,000.
    SALES            . CRED          .         .
    IN PROCESS       .                         .
    COLLECTIONS                                .
    ADJUSTMENTS                                .
GROSS COLLATERAL                                 6,000,000.
    INELIGIBLE                   01/31         .
    PAST DUE MORE THAN       DAYS06/10         .
NET COLLATERAL                                   6,000,000.
    DISCOUNT         %                    .    .
    EQUITY       20 %              1,200,000.
                                                          A/C REC AVAILABILITY 4,800,000.
LOAN ACCOUNT BAL     08/01/71                  .
    ADVANCES                                   .
    NET COLLECTIONS                            .
    ADJ              .    FC           .       .
                                                          CURRENT LOAN BALANCE          .

                                                          AVAIL ON RECEIVABLES 4,800,000.

OTHER COLLATERAL              .
                                  % AVAILAB                                             .

                                                          TOTAL AVAILABILITY   4,800,000.

                                          ADDITIONAL ITEMS NOT INCLUDED ABOVE
*********************************************************************************************
 AMOUNT REQUESTED  $                     *SALES        *       *       *        *

 APPROVED  A/C EXEC                      *CRED

 V.P.                                    *NET SALES
```

A 2929

```
                                 [illegible] DE LUXE,TOPPER CORP

  ACCTS REC COLL BAL   08/01/71 ll   2,133,440.
  ADD SALES     1,068./CRED   2,196./     1,128.-
      IN PROCESS.
  -   COLLECTIONS                        -.
      ADJUSTMENTS                          .
  GROSS COLLATERAL                              2,132,312.
      INELIGIBLE               08/05       .
      PAST DUE MORE THAN     DAYS06/30     .
  NET COLLATERAL                  .             2,132,312.
      DISCOUNT       %                     .
      EQUITY      50 %           1,066,156.
                                                    A/C REC AVAILABILITY 1,066,156.
  LOAN ACCOUNT BAL      08/01/71           .
      ADVANCES                             .
      NET COLLECTIONS                      .
      ADJ           .     FC               .
                                                    CURRENT LOAN BALANCE         .

                                                    AVAIL ON RECEIVABLES 1,066,156.
  OTHER COLLATERAL           .
                            % AVAILAB                                            .

                                                    TOTAL AVAILABILITY   1,066,156.

                                           ADDITIONAL ITEMS NOT INCLUDED ABOVE
  ****************************************************************************************
   AMOUNT REQUESTED  $              *SALES     *          *         *          *
                                    *          ************         *          *
   APPROVED  A/C EXEC               *CRED      *          *         *          *
                                    *          ************         *          *
   V.P.                             *NET SALES *          *         *          *
                                    *          ************         *          *
                                    *          *          *         *          *
                                    *PAST DUE  *          *         *          *
  ***********************************          *          *         *          *
   ADDTL REC PROMISED               *INELIGIBLE*          *         *          *
                                    *          ************         *          *
                                    *TOTAL NET *          *         *          *
  ***********************************          *          *         *          *
   MISSING RECEIPTS                 *LESS RESERVE*        *         *          *
  ***********************************          **********************          *
   ISSUED / CHECKED                 *CASH     $*                    *          *
  ***********************************          **********************          *
   CHECK ISSUED                     *                               *          *
  ***********************************                               ************

                                 TOTAL AVAIL FOR ADVANCE             ************   x
```

A 2930

09/17/71 ~~[illegible]~~ TOPPER 667

ACCTS REC COLL BAL 09/01/71 30403158
SALES . CRED 1.978961
IN PROCESS . 268442.
COLLECTIONS 1030241
ADJUSTMENTS 60256-
CROSS COLLATERAL 31540964
INELIGIBLE 07/13 5406340.
PAST DUE MORE THAN DAYS06/30 3,539752
NET COLLATERAL 22.094842.
DISCOUNT
EQUITY 20. 4418,968.
A/C REC AVAILABILITY 17.675874.

LOAN ACCOUNT BAL 09/01/71 ~~[illegible]~~
ADVANCES
NET COLLECTIONS
ADJ . FC

CURRENT LOAN BALANCE ~~[illegible]~~ 20,059304
AVAIL ON RECEIVABLES ~~[illegible]~~

OTHER COLLATERAL
% AVAILAB

TOTAL AVAILABILITY ~~[illegible]~~ 2,333430

ADDITIONAL ITEMS NOT INCLUDED ABOVE

AMOUNT REQUESTED $
APPROVED A/C EXEC
V.P.
No advance
[illegible]
ACCTL REC PRAISED
MISSING RECEIPTS
FIGURE ? / CHECKED
CHECK ISSUED

SALES 1220/5430 75124 @ 80 60099
CRED
NET SALES
666 1061156
PAST DUE
INELIGIBLE
TOTAL NET
LESS RESERVE
CASH %
1257175
TOTAL AVAIL FOR ADVANCE

P. EXH 611

A 2931

```
[illegible]/71          667          TOPPER CORPORATION                 077.70   GROUP %        03/31/72

   ACCTS REC COLL BAL    08/01/71 342, 9,004,127.
1213 SALES 2,019,062./CRED  40,101./  1,978,961.
1217  IN PROCESS                        269,422.
1204  COLLECTIONS                     1,050,291.
      ADJUSTMENTS                        60,256.-
   GROSS COLLATERAL                                  141,963.
      INELIGIBLE                  08/055,906,340.
      PAST DUE MORE THAN 060 DAYS06/30
   NET COLLATERAL                                  5,764,377.-
      DISCOUNT      %
      EQUITY       20 %                1,152,975.
                                                       A/C REC AVAILABILITY 6,917,252.-
   LOAN ACCOUNT BAL       08/01/71     5,059,324.
      ADVANCES                         2,025,000.
      NET COLLECTIONS                  1,025,020.
      ADJ                    FC
                                                       CURRENT LOAN BALANCE 6,059,304.

                                                       OVERDRAFT              12,976,556.-DEB

   OTHER COLLATERAL 6,701,559.
                              000 % AVAILAB            OTHER COLLATERAL

                                                       OVERDRAFT              12,976,556.-DEB


                                              ADDITIONAL ITEMS NOT INCLUDED ABOVE
   ************************************************************************************************
    AMOUNT REQUESTED  $                     *SALES         *          *         *            *
                                            *              ************         *            *
    APPROVED  A/C EXEC                      *CRED'         *          *         *            *
                                            *              ************         *            *
    V.P.                                    *NET SALES     *          *         *            *
                                            *              ************         *            *
                                            *              *          *         *            *
                                            *PAST DUE      *          *         *            *
   ******************************************              *          *         *            *
    ADDTL REC PROMISED                      *INELIGIBLE    *          *         *            *
                                            *              ************         *            *
                                            *TOTAL NET     *          *         *            *
   ******************************************              *          *         *            *
    MISSING RECEIPTS                        *LESS RESERVE  *          *         *            *
   ******************************************              **********************            *
    FIGURED / CHECKED                       *CASH          *                    *            *
   ******************************************              **********************            *
    CHECK ISSUED                            *                                   *            *
   ******************************************                                   **************

                                 TOTAL AVAIL FOR ADVANCE                        **************
```

A 2932

```
  08/12/71            565    DELUKE TOPPER 667 CVFL                                          GROUP  2         /  /

ACCTS REC COLL BAL    08/01/71       8,403,547.
   SALES          . CRED                    .
   IN PROCESS  .                            .
   COLLECTIONS                              .
   ADJUSTMENTS                              .
GROSS COLLATERAL                                     8,403,547.
   INELIGIBLE                 08/05         .
   PAST DUE MORE THAN     DAYS06/303,539,782.
NET COLLATERAL                          .   !        4,863,765.
   DISCOUNT       %                         .
   EQUITY     20 %                   972,753.
                                                          A/C REC AVAILABILITY 3,891,012.
LOAN ACCOUNT BAL      08/01/71       9,000,000.
   ADVANCES                                 .
   NET COLLECTIONS                          .
   ADJ            .    FC          .        .
                                                          CURRENT LOAN BALANCE 9,000,000.

                                                          OVERDRAFT            5,108,988.-DEB

OTHER COLLATERAL          .
                                 % AVAILAB

                                                          OVERDRAFT            5,108,988.-DEB

                                            ADDITIONAL ITEMS NOT INCLUDED ABOVE
   ****************************************************************************************
    AMOUNT REQUESTED  $                *SALES      *        *         *         *
                                       *           **********         *         *
    APPROVED  A/C EXEC                 *CRED       *        *         *         *
                                       *           **********         *         *
    V.P.                               *NET SALES  *        *         *         *
                                       *           **********         *         *
                                       *           *        *         *         *
                                       *PAST DUE   *        *         *         *
   *************************************           *        *         *         *
    ADDTL REC PROVIDED                 *INELIGIBLE *        *         *         *
                                       *           **********         *         *
                                       *TOTAL NET  *        *         *         *
   *************************************           *        *         *         *
    MISSING RECEIPTS                   *LESS RESERVE*       *         *         *
   *************************************           ********************         *
    FIGURED / CHECKED                  *CASH      $*                  *         *
   *************************************           ********************         *
    CHECK ISSUED                       *                              *         *
   *************************************                              ***********

                                    TOTAL AVAIL FOR ADVANCE _____________*************______________
```

A 2933

```
09/12/71            654    OVERFLOW ON ACCT. 667                              GROUP        / /

   ACCTS REC COLL BAL     09/01/71       6,995,494.
      SALES             . CRED          .          .
      IN PROCESS.       .                          .
      COLLECTIONS                                  .
      ADJUSTMENTS                                  .
   CROSS COLLATERAL                                      6,995,494.
      INELIGIBLE                      03/16        .
      PAST DUE MORE THAN          DAYS03/16        .
   NET COLLATERAL                        .    $          6,995,494.
      DISCOUNT        %                     .      .
      EQUITY       20 %                1,399,098.
                                                               A/C REC AVAILABILITY 5,596,396.
   LOAN ACCOUNT BAL     09/01/71       5,000,000.
      ADVANCES                                     .
      NET COLLECTIONS                              .
      ADJ             .    FC             .        .
                                                               CURRENT LOAN BALANCE 5,000,000.

                                                               AVAIL ON RECEIVABLES    596,396.

   OTHER COLLATERAL               .
                                 $.AVAILAB

                                                               TOTAL AVAILABILITY      596,396.


                                              ADDITIONAL ITEMS NOT INCLUDED ABOVE
   **************************************************************************************
     AMOUNT REQUESTED  $                        *SALES      *          *         *          *
                                                *           ************         *          *
     APPROVED  A/C EXEC                         *CRED       *          *         *          *
                                                *           ************         *          *
     V.P.                                       *NET SALES  *          *         *          *
                                                *           ************         *          *
                                                *           *          *         *          *
                                                *PAST DUE   *          *         *          *
   **********************************************           *          *         *          *
     ACCTL REC PROMISED                         *INELIGIBLE *          *         *          *
                                                *           ************         *          *
                                                *TOTAL NET  *          *         *          *
   **********************************************           *          *         *          *
     MISSING RECEIPTS                           *LESS RESERVE*         *         *          *
   **********************************************           **********************          *
     FIGURED / CHECKED                          *CASH      $*                    *          *
   **********************************************           **********************          *
     CHECK ISSUED                               *                                *          *
   **********************************************                                ************

                                                TOTAL AVAIL FOR ADVANCE__________************
```

A 2934

```
                              [illegible]                                 [illegible]
ACCTS REC COLL BAL    09/01/71        6,000,000.
   SALES            . CRED          .            .
   IN PROCESS .                                  .
   COLLECTIONS                                   .
   ADJUSTMENTS                                   .
GROSS COLLATERAL                                 .   6,000,000.
   INELIGIBLE                    01/31           .
   PAST DUE MORE THAN       DAYS06/10            .
NET COLLATERAL                                       6,000,000.
   DISCOUNT      %                               .
   EQUITY     20 %                  1,200,000.
                                                       A/C REC AVAILABILITY 4,800,000.
LOAN ACCOUNT BAL     04/01/71.                   .
   ADVANCES                                      .
   NET COLLECTIONS                               .
   ADJ             .    FC                       .

                                                       CURRENT LOAN BALANCE          .

                                                       AVAIL ON RECEIVABLES 4,800,000.
OTHER COLLATERAL
                                    % AVAILAB

                                                       TOTAL AVAILABILITY   4,800,000.

                                            ADDITIONAL ITEMS NOT INCLUDED ABOVE
*********************************************************************************************
  AMOUNT REQUESTED  $                       *SALES      *          *          *          *
                                            *           ************          *          *
  APPROVED  A/C EXEC                        *CRED       *          *          *          *
                                            *           ************          *          *
  V.P.                                      *NET SALES  *          *          *          *
                                            *           ************          *          *
                                            *           *          *          *          *
                                            *PAST DUE   *          *          *          *
********************************************            *          *          *          *
  ADDTL REC PROMISED                        *INELIGIBLE *          *          *          *
                                            *           ************          *          *
                                            *TOTAL NET  *          *          *          *
********************************************            *          *          *          *
  MISSING RECEIPTS                          *LESS RESERVE*         *          *          *
********************************************            ***********************          *
  FIGURED / CHECKED                         *CASH     X*                      *          *
********************************************            ***********************          *
  CHECK ISSUED                              *                                 *          *
********************************************                                  ************

                                         TOTAL AVAIL FOR ADVANCE _ _ _ _      ************
```

A 2935

```
. 08/17/71          066    UNSHIPPED RIGHTS DE LUXE,TOPPER CORP                              / /

ACCTS REC COLL BAL  , 08/01/71 4/  ,2,133,440.
6C SALES      1,068./CRED  2,196./      1.128.-
   IN PROCESS .                              .
   COLLECTIONS                               .
   ADJUSTMENTS                               .
GROSS COLLATERAL                                   2,132,312.
   INELIGIBLE               09/05            .
   PAST DUE MORE THAN     DAYS06/30          .
NET COLLATERAL                               .     2,132,312.
   DISCOUNT                                  .
   EQUITY      50 %               1,066,156.
                                                        A/C REC AVAILABILITY 1,066,156.
LOAN ACCOUNT BAL     08/01/71                .
   ADVANCES                                  .
   NET COLLECTIONS                           .
   ADJ          .    FC                      .
                                                        CURRENT LOAN BALANCE          .

                                                        AVAIL ON RECEIVABLES 1,066,156.

OTHER COLLATERAL         .
                                % AVAILAB                                             .

                                                        TOTAL AVAILABILITY   1,066,156.

                                        ADDITIONAL ITEMS NOT INCLUDED ABOVE
 ************************************************************************************
  AMOUNT REQUESTED  $                *SALES         *         *       *          *
                                     *              ***********       *          *
  APPROVED  A/C EXEC                 *CRED          *         *       *          *
                                     *              ***********       *          *
  V.P.                               *NET SALES     *         *       *          *
                                     *              ***********       *          *
                                     *              *         *       *          *
                                     *PAST DUE      *         *       *          *
 *************************************              *         *       *          *
  ACCTS REC PROMISED                 *INELIGIBLE    *         *       *          *
                                     *              ***********       *          *
                                     *TOTAL NET     *         *       *          *
 *************************************              *         *       *          *
  MISSING RECEIPTS                   *LESS RESERVE  *         *       *          *
 *************************************              *****************          *
  RECORDED / CHECKED                 *CASH        $ *                 *          *
 *************************************              *****************          *
  CHECK ISSUED                       *                                *          *
 *************************************                                ************

                                 TOTAL AVAIL FOR ADVANCE____________  ************
```

A 2936

[illegible]/71 [illegible] TOPPER 669

ACCTS REC COLL BAL 04/01/71 30,401,108
SALES . CRED 2,323 508
IN PROCESS 146 216
COLLECTIONS 1162 742
ADJUSTMENTS 60 256 - 31,650.434
CROSS COLLATERAL 04/134,382,112
INELIGIBLE
PAST DUE MORE THAN DAYS06/30 9520 407 17,742.913
NET COLLATERAL
DISCOUNT %
EQUITY 20 % 3544 558

A/C REC AVAILABILITY 14,198 355

LOAN ACCOUNT BAL 03/01/71
ADVANCES
NET COLLECTIONS
ADJ FC

CURRENT LOAN BALANCE 19,949.615
AVAIL ON RECEIVABLES

OTHER COLLATERAL % AVAILAB.

TOTAL AVAILABILITY 5,751.260

ADDITIONAL ITEMS NOT INCLUDED ABOVE

SALES		
CRED		
NET SALES		
PAST DUE	(174.397 @ 80	139.517
INELIGIBLE	666	1066.156
TOTAL NET	172211 @ 80	137.768
LESS RESERVE		
CASH		

[illegible] SALES $ 1,000,000

TOTAL AVAIL FOR ADVANCE ~~4685107~~ 4407 819

P. EXH 612 10/24/74 - [illegible]

A 2937

```
                                        TURNER CORPORATION                 L77.70   GROUP  *        03/31/72
   09/15/71              647

                                     842
   ACCTS REC COLL BAL       09/01/71         9,004,127.
1229 SALES 2,267,603. CRED  40,101.          2,374,509.
1221 IN PROCESS                 877            146,816.
1266 COLLECTIONS                             1,162,742.
      ADJUSTMENTS                               60,256.-
   GROSS COLLATERAL                                            251,453.
      INELIGIBLE =                      09/055,905,340.
      PAST DUE MORE THAN 060 DAYS06/30                         5,654,887.-
   NET COLLATERAL
      DISCOUNT
      EQUITY         ??              1,130,977.
                                                          A/C REC AVAILABILITY 6,785,864.-

   LOAN ACCOUNT BAL      09/01/71    5,059,324.
      ADVANCES                       2,025,000.
      NET COLLECTIONS                1,134,709.
      ADJ             EC
                                                          CURRENT LOAN BALANCE 5,940,615.

                                                          OVERDRAFT            12,735,479.-DER

   OTHER COLLATERAL 6,924,136.     000 % AVAILAB          OTHER COLLATERAL

                                                          OVERDRAFT            12,735,479.-DER


                                              ADDITIONAL ITEMS NOT INCLUDED ABOVE
                                        *SALES
   [illegible]
                                        *CRED
            A/C REC
                                        *NET SALES
   V.P.

                                        *PAST DUE

                                        *INELIGIBLE
   [illegible]
                                        *TOTAL NET

                                        *LESS RESERVE*

                                        *CASH
   [illegible]

   [illegible]

                                           TOTAL AVAIL FOR ADVANCE
```

A 2938

```
09/1?/71            655    DELUXE TOPPER 657 EVEL                                        GROUP  8

ACCTS REC COLL BAL    09/01/71        8,403,547.
   SALES           . CRED      .               .
   IN PROCESS  .                               .
   COLLECTIONS                                 .
   ADJUSTMENTS                                 .
GROSS COLLATERAL                                     9,403,547.
   INELIGIBLE                    09/05         .
   PAST  DUE MORE THAN    DAYS06/303,539,782.
NET COLLATERAL                                       4,863,765.
   DISCOUNT         ~                          .
   EQUITY      20 ~                    972,753.
                                                           A/C REC AVAILABILITY 3,891,012.
LOAN ACCOUNT BAL      09/01/71        9,000,000.
   ADVANCES                                    .
   NET COLLECTIONS                             .
   ADJ          .     FC        .              .
                                                           CURRENT LOAN BALANCE 9,000,000.

                                                           OVERDRAFT              5,108,988.-DEB

OTHER COLLATERAL          .
                                  % AVAILAB

                                                           OVERDRAFT              5,108,988.-DEB

                                       ADDITIONAL ITEMS NOT INCLUDED ABOVE
   [illegible] ****************************************************************************
   [illegible]                         *SALES       *         *         *          *
                                       *            **********          *          *
   [illegible] /C  [illegible]         *CRED        *         *         *          *
                                       *            **********          *          *
   [illegible]                         *NET SALES   *         *         *          *
                                       *            **********          *          *
                                       *            *         *         *          *
                                       *PAST DUE    *         *         *          *
                                       *INELIGIBLE  *         *         *          *
   [illegible] ************************             **********          *          *
   [illegible]                         *TOTAL NET   *         *         *          *
                                       *            *         *         *          *
   [illegible] *************************LESS RESERVE*         *         *          *
   [illegible] ************************             *********************          *
   [illegible]                         *CASH        **                  *          *
   [illegible] ************************             *********************          *
   [illegible]                                                          *          *
   [illegible] ************************                                 ************
                                                                   
                                       TOTAL AVAIL FOR ADVANCE          ************
```

A 2939

```
[illegible]/71            4/4    OVERFLOW ON ACCT. 467                                    GROUP  :      /  /

ACCTS REC COLL BAL     09/01/71       6,995,494.
   SALES                . CRED
   IN PROCESS
   COLLECTIONS
   ADJUSTMENTS
GROSS COLLATERAL                                    6,995,494.
   INELIGIBLE                   03/16
   PAST DUE MORE THAN       DAYS03/16
NET COLLATERAL                                      6,995,494.
   DISCOUNT
   EQUITY        20 %                 1,399,098.
                                                      A/C REC AVAILABILITY 5,596,396.
LOAN ACCOUNT BAL      09/01/71        5,000,000.
   ADVANCES
   NET COLLECTIONS
   ADJ                  FC
                                                      CURRENT LOAN BALANCE 5,000,000.

                                                      AVAIL ON RECEIVABLES   596,396.

OTHER COLLATERAL
                              % AVAILAB

                                                      TOTAL AVAILABILITY     596,396.

                                   ADDITIONAL ITEMS NOT INCLUDED ABOVE
                                 *SALES
                                 *CRED
                                 *NET SALES
                                 *PAST DUE
                                 *INELIGIBLE
                                 *TOTAL NET
                                 *LESS RESERVE
                                 *CASH

                                TOTAL AVAIL FOR ADVANCE
```

A 2940

```
09/1?/71            663    DE LUXE TOPPER *OVERFLOW                        GROUP  S

ACCTS REC COLL BAL    09/01/71       6,000,000.
    SALES              . CRED
    IN PROCESS
    COLLECTIONS
    ADJUSTMENTS                                     6,000,000.
GROSS COLLATERAL
    INELIGIBLE                    01/31
    PAST DUE MORE THAN         DAYS06/10            6,000,000.
NET COLLATERAL
    DISCOUNT                                r
    EQUITY        20 %                 1,200,000.          A/C REC AVAILABILITY 4,800,000.

LOAN ACCOUNT BAL      09/01/71
    ADVANCES
    NET COLLECTIONS
    ADJ              .  FC                                 CURRENT LOAN BALANCE

                                                           AVAIL ON RECEIVABLES 4,800,000.

OTHER COLLATERAL                   % AVAILAB

                                                           TOTAL AVAILABILITY   4,800,000.

                                             ADDITIONAL ITEMS NOT INCLUDED ABOVE
                                            *SALES          *
                                            *
                                            *CRED'
                                            *
                                            *NET SALES      *
                                            *
                                            *
                                            *PAST DUE       *
                                            *INELIGIBLE     *
                                            *
                                            *TOTAL NET      *
                                            *LESS RESERVE*
                                            *CASH         %*
                                            *

                                            TOTAL AVAIL FOR ADVANCE
```

A 2941

```
 09/13/71            266    UNSHIPPED RIGHTS DE LUXE,TOPPER CORP                     / /

 ACCTS REC COLL BAL     09/01/71   6   2,133,440.
 6  SALES      1,?61. CRED    2,196.      1,128.-
      IN PROCESS
      COLLECTIONS
      ADJUSTMENTS                                       2,132,312.
 GROSS COLLATERAL
      INELIGIBLE                   09/05
      PAST DUE MORE THAN        DAYS36/30
 NET COLLATERAL                                         2,132,312.
      DISCOUNT       %
      EQUITY      50 %                  1,066,156.
                                                         A/C REC AVAILABILITY 1,066,156.
 LOAN ACCOUNT BAL       09/01/71
      ADVANCES
      NET COLLECTIONS
      ADJ              FC
                                                         CURRENT LOAN BALANCE          .

                                                         AVAIL ON RECEIVABLES 1,066,156.

 OTHER COLLATERAL                   % AVAILAB

                                                         TOTAL AVAILABILITY   1,066,156.

                                       ADDITIONAL ITEMS NOT INCLUDED ABOVE
 ******************************************************************************************
   [illegible]                            *SALES       *          *          *          *
                                          *            ************          *          *
   [illegible]     /C  C                  *CRED        *          *          *          *
                                          *            ************          *          *
   [illegible]                            *NET SALES   *          *          *          *
                                          *            ************          *          *
                                          *            *          *          *          *
                                          *PAST DUE    *          *          *          *
 ******************************************            *          *          *          *
   [illegible]      1  0                  *INELIGIBLE  *          *          *          *
                                          *            ************          *          *
                                          *TOTAL NET   *          *          *          *
 ******************************************            *          *          *          *
   [illegible]                            *LESS RESERVE*          *          *          *
 ******************************************************************          *          *
   [illegible]        /                   *CASH        *                     *          *
 ******************************************************************          *          *
   [illegible]                            *                                  ************
 ******************************************

                                          TOTAL AVAIL FOR ADVANCE              ***********
```

x

A 2942

TOPPER 667

08/15/71

ACCTS REC COLL BAL 08/01/71 30403108.
SALES CRED. 2470.325.
IN PROCESS 144.417.
COLLECTIONS 2343028.
ADJUSTMENTS 114141. 30,788463
GROSS COLLATERAL
INELIGIBLE 06/244264.901.
PAST DUE MORE THAN 060 DAYS06/24973 20407. 17,052653
NET COLLATERAL
DISCOUNT 2
EQUITY 20 3,411,730
A/C REC AVAILABILITY 13,646.923

LOAN ACCOUNT BAL 08/01/71
ADVANCES
NET COLLECTIONS
ADJ FC
CURRENT LOAN BALANCE 19,042.366
AVAIL ON RECEIVABLES 5,995.437

OTHER COLLATERAL % AVAILAB

TOTAL AVAILABILITY 5,395.437.

ADDITIONAL ITEMS NOT INCLUDED ABOVE

[illegible]

V.P.

[illegible]

5114 R11

[illegible]

*SALES		
*CRED		
*NET SALES		
*PAST DUE		
*INELIGIBLE	666	1066156
*TOTAL NET		
*LESS RESERVE		
*CASH		
		4329.283

TOTAL AVAIL FOR ADVANCE

A 2943

P. EXH 613 10/24/74 [illegible]

```
                                                                          L77.70   GROUP  8        03/31/72
  08/1[illegible]/71           567              TOPPER CORPORATION

   ACCTS REC COLL BAL  / 08/01/71  844   5,004,127.
1221 SALES 2,515,546. CRED   45,221. / 2,470,325.
1222   IN PROCESS                          144,417.  /
1266 COLLECTIONS                         2,343,028.
       ADJUSTMENTS                         114,141.          610,018.-
   GROSS COLLATERAL               07/304,209,901.
       INELIGIBLE
       PAST DUE MORE THAN 060 DAYS07/30          .         4,819,919.-
   NET COLLATERAL.                         I
       DISCOUNT
       EQUITY        20 %                  963,983.       A/C REC AVAILABILITY 5,7 3,902.-

   LOAN ACCOUNT BAL     08/01/71         5,059,324.
       ADVANCES                          2,225,000.
       NET COLLECTIONS                   2,241,962.
       ADJ             FC                                 CURRENT LOAN BALANCE 5,042,362.

                                                          OVERDRAFT            10,826,264.-DEB

   OTHER COLLATERAL 6,867,373.       000 % AVAILAB        OTHER COLLATERAL

                                                          OVERDRAFT            10,826,264.-DEB

                                           ADDITIONAL ITEMS NOT INCLUDED ABOVE
   [illegible]  ***************************************************************************
   [illegible]                          *SALES          *          *         *          *
                                        *               ************         *          *
   [illegible]                          *CRED           *          *         *          *
                                        *               ************         *          *
   V.P.                                 *NET SALES      *          *         *          *
                                        *               ************         *          *
                                        *               *          *         *          *
                                        *PAST DUE       *          *         *          *
   [illegible]  ************************                *          *         *          *
   [illegible]                          *INELIGIBLE     *          *         *          *
                                        *               ************         *          *
                                        *TOTAL NET      *          *         *          *
   [illegible]  ************************                *          *         *          *
   [illegible]                          *LESS RESERVE*  ***********************          *
   [illegible]  ************************                                     *          *
   [illegible]                          *CASH           **                   *          *
   [illegible]  ************************                ***********************          *
   [illegible]                          *                                    ************
   [illegible]  ************************

                                        TOTAL AVAIL FOR ADVANCE              ************
```

A 25944

```
[illegible]/16/71             645    DELUXE TOPPER 667 OVFL                                          GROUP  %          /  /

ACCTS REC COLL BAL    08/01/71        8,403,547.
   SALES               . CRED      .          .
   IN PROCESS                                 .
   COLLECTIONS                                .
   ADJUSTMENTS                                .
GROSS COLLATERAL                                   8,403,547.
   INELIGIBLE                    07/30        .
   PAST DUE MORE THAN         DAYS07/309,520,409.
NET COLLATERAL                                     1,116,862.-
   DISCOUNT       %                           .
   EQUITY        20 %                 223,372.
                                                        A/C REC AVAILABILITY 1,340,234.-
LOAN ACCOUNT BAL      08/01/71        9,000,000.
   ADVANCES                                   .
   NET COLLECTIONS                            .
   ADJ              .    FC        .          .
                                                        CURRENT LOAN BALANCE 9,000,000.

                                                        OVERDRAFT                10,340,234.-DEB

OTHER COLLATERAL             .
                                  % AVAILAB

                                                        OVERDRAFT              . 10,340,234.-DEB

                                          ADDITIONAL ITEMS NOT INCLUDED ABOVE
*********************************************************************************************
  [illegible]                            *SALES       *          *          *          *
                                         *            ************          *          *
  APPROVED [illegible] EXEC              *CRED        *          *          *          *
                                         *            ************          *          *
  V.P.                                   *NET SALES   *          *          *          *
                                         *            ************          *          *
                                         *            *          *          *          *
                                         *PAST DUE    *          *          *          *
*****************************************             *          *          *          *
  [illegible]                            *INELIGIBLE  *          *          *          *
                                         *            ************          *          *
                                         *TOTAL NET   *          *          *          *
                                         *            *          *          *          *
*****************************************             *          *          *          *
  [illegible]                            *LESS RESERVE*          *          *          *
*****************************************             ***********************          *
  [illegible]                            *CASH        $*                    *          *
*****************************************             ***********************          *
  [illegible]                            *                                  *          *
*****************************************                                   ************

                                          TOTAL AVAIL FOR ADVANCE                       ************
```

A 2945

```
[illegible]                    664   OVERFLOW ON ACCT. 667

ACCTS REC COLL BAL      08/01/71          6,995,494.
   SALES              CRED
   IN PROCESS
   COLLECTIONS
   ADJUSTMENTS                                            6,995,494.
GROSS COLLATERAL
   INELIGIBLE                          03/16
   PAST DUE MORE THAN            DAYS03/16
                                                          6,995,494.
NET COLLATERAL
   DISCOUNT
   EQUITY         20 %                    1,399,098.          A/C REC AVAILABILITY 5,596,396.

LOAN ACCOUNT BAL        08/01/71          5,000,000.
   ADVANCES
   NET COLLECTIONS
   ADJ                 EC                                     CURRENT LOAN BALANCE 5,000,000.

                                                              AVAIL ON RECEIVABLES    596,396.

OTHER COLLATERAL                  % AVAILAB

                                                              TOTAL AVAILABILITY      596,396.

                                         ADDITIONAL ITEMS NOT INCLUDED ABOVE
                                       *SALES
                                       *
                                       *CRED
                                       *
                                       *NET SALES
                                       *
                                       *
                                       *PAST DUE
                                       *INELIGIBLE
                                       *
                                       *TOTAL NET
                                       *LESS RESERVE
                                       *CASH

                                         TOTAL AVAIL FOR ADVANCE
```

A 2946

```
08/16/71          663    DE LUXE TOPPER *OVERFLOW                        GROUP  %   / /

ACCTS REC COLL BAL   08/01/71      6,000,000.
   SALES               .CRED               .
   IN PROCESS                              .
   COLLECTIONS                             .
   ADJUSTMENTS                             .
GROSS COLLATERAL                                 6,000,000.
   INELIGIBLE                 01/31        .
   PAST DUE MORE THAN      DAYS06/10       .
NET COLLATERAL                                   6,000,000.
   DISCOUNT        %                       .
   EQUITY      20 %                1,200,000.
                                                         A/C REC AVAILABILITY 4,800,000.
LOAN ACCOUNT BAL    08/01/71.              .
   ADVANCES                                .
   NET COLLECTIONS                         .
   ADJ              .    FC                .
                                                         CURRENT LOAN BALANCE          .

                                                         AVAIL ON RECEIVABLES 4,800,000.
OTHER COLLATERAL          .
                                % AVAILAB                                              .

                                                         TOTAL AVAILABILITY   4,800,000.

                                         ADDITIONAL ITEMS NOT INCLUDED ABOVE
[illegible] ***************************************************************************
 [illegible]                           *SALES         *          *        *         *
                                       *              ***********        *         *
 [illegible]                           *CRED          *          *        *         *
                                       *              ***********        *         *
 V.P.                                  *NET SALES     *          *        *         *
                                       *              ***********        *         *
                                       *              *          *        *         *
                                       *PAST DUE      *          *        *         *
[illegible] ***************************               *          *        *         *
 [illegible]                           *INELIGIBLE    *          *        *         *
                                       *              ***********        *         *
                                       *TOTAL NET     *          *        *         *
[illegible] ***************************               *          *        *         *
 [illegible]                           *LESS RESERVE  *          *        *         *
[illegible] ***************************               *********************         *
 [illegible]                           *CASH          %                   *         *
[illegible] ***************************               *********************         *
 [illegible]                           *                                  *         *
[illegible] ***************************                                   ***********

                                        TOTAL AVAIL FOR ADVANC            ***********
```

A 2947

```
ACCTS REC COLL BAL  08/01/71              2,133,440.
6 SALES       1,068. CRED  2,196.         1,128.-
    INVOICES                                      .
    COLLECTIONS                                   .
    ADJUSTMENTS                                   .
GROSS COLLATERAL                                       2,132,312.
    INELIGIBLE                    07/30           .
    PAST DUE MORE THAN        DAYS07/30           .
NET COLLATERAL                                         2,132,312.
    DISCOUNT        %                             .
    EQUITY        50 %                    1,066,156.
                                                          A/C REC AVAILABILITY 1,066,156.
LOAN ACCOUNT BAL      08/01/71                    .
    ADVANCES                                      .
    NET COLLECTIONS                               .
    ADJ                 FC                        .
                                                          CURRENT LOAN BALANCE          .

                                                          AVAIL ON RECEIVABLES 1,066,156.
OTHER COLLATERAL
                                          % AVAILAB
                                                                                        .
                                                          TOTAL AVAILABILITY   1,066,156.

                                               ADDITIONAL ITEMS NOT INCLUDED ABOVE
                                          *SALES
                                          *CRED
                                          *NET SALES
                                          *PAST DUE
                                          *INELIGIBLE
                                          *TOTAL NET
                                          *LESS RESERVE
                                          *CASH
```

A 2348

007 TOPPER

```
ACCTS REC COLL BAL   08/01/71        39,403,108.
    SALES                 CRED        2614.742.
    IN PROCESS                         107.336.
    COLLECTIONS                        2442356.
    ADJUSTMENTS                         114141 .   39,796,971.
GROSS COLLATERAL
    INELIGIBLE                 06/24 4209 907.
    PAST DUE MORE THAN 060 DAYS06/24 9520407 .   17,066,661.
NET COLLATERAL
    DISCOUNT
    EQUITY        20                 3413.332 .
                                                     A/C REC AVAILABILITY 13,653,329
LOAN ACCOUNT BAL     08/01/71                .
    ADVANCES                                 .
    NET COLLECTIONS                          .
    ADJ                   FC                 .
                                                     CURRENT LOAN BALANCE 18,464,763
                                                     AVAIL ON RECEIVABLES 5,311 434.
OTHER COLLATERAL
                     % AVAILAB

                                                     TOTAL AVAILABILITY 5,311.434.

                          ADDITIONAL ITEMS NOT INCLUDED ABOVE
                  SALES
                  CRED
                  NET SALES
                  PAST DUE                      666           1066156
                  INELIGIBLE
                  TOTAL NET
                  LESS RESERVE
                  CASH
                                                            4245.278
                  TOTAL AVAIL FOR ADVANCE
```

4275
120
4395
141
4470

A 2949

P. EXH 614 10/24/74 RD

```
      ACCTS REC COLL BAL    08/01/71 844      9,004,177.
/222  SALES 2,659,963. CRED   45,221.-  2,614,742.
/223  IN PROCESS                 246        107,336.
/227  COLLECTIONS                         2,442,356.
        ADJUSTMENTS                         114,141.
      GROSS COLLATERAL                                      602,010.-
        INELIGIBLE                    07/304,209,901.
        PAST DUE MORE THAN 060 DAYS07/30             .
      NET COLLATERAL                                      4,811,911.-
        DISCOUNT        %                             .
        EQUITY       20 %                    962,382.
                                                          A/C REC AVAILABILITY 5,774,293.-
      LOAN ACCOUNT BAL     08/01/71          5,059,324.
        ADVANCES                             2,225,250.
        NET COLLECTIONS                      2,319,911.
        ADJ          .    FC        .                .
                                                          CURRENT LOAN BALANCE 4,964,763.

                                                          OVERDRAFT            10,739,056.-DEB

      OTHER COLLATERAL 6,911,330.                         OTHER COLLATERAL               .
                                     000 % AVAILAB
                                                          OVERDRAFT            10,739,056.-DEB


                                      ADDITIONAL ITEMS NOT INCLUDED ABOVE
                                  *SALES        *          *          *          *
                                  *             ***********           *          *
                                  *CRED         *          *          *          *
                                  *             ***********           *          *
                                  *NET SALES    *          *          *          *
                                  *             ***********           *          *
                                  *PAST DUE     *          *          *          *
                                  *INELIGIBLE   *          *          *          *
                                  *             ***********           *          *
                                  *TOTAL NET    *          *          *          *
                                  *LESS RESERVE*           *          *          *
                                  *             ***********************          *
                                  *CASH        $*                     *          *
                                  *             ***********************          *
                                  *                                   ************

                                   TOTAL AVAIL FOR ADVANCE            ************
```

A 2950

```
[illegible]              665    DELUXE TOPPER 667 CVEL

ACCTS REC COLL BAL     09/01/71        8,403,547.
    SALES                   CRED                .
    IN PROCESS                                  .
    COLLECTIONS                                 .
    ADJUSTMENTS                                 .
GROSS COLLATERAL                                      8,403,547.
    INELIGIBLE                     07/30        .
    PAST DUE MORE THAN         DAYS07/309,520,409.
NET COLLATERAL                                        1,116,862.-
    DISCOUNT          %                         .
    EQUITY       20 %                   223,372.
                                                          A/C REC AVAILABILITY 1,340,234.-
LOAN ACCOUNT BAL       08/01/71        9,000,000.
    ADVANCES                                    .
    NET COLLECTIONS                             .
    ADJ                     FC                  .
                                                          CURRENT LOAN BALANCE 9,000,000.

                                                          OVERDRAFT            10,340,234.-DEB

OTHER COLLATERAL
                                 % AVAILAB

                                                          OVERDRAFT            10,340,234.-DEB

                                             ADDITIONAL ITEMS NOT INCLUDED ABOVE
                                 ****************************************************************
  [illegible]                    *SALES          *         *          *           *
                                 *               ***********          *           *
  [illegible]     FY C           *CRED           *         *          *           *
                                 *               ***********          *           *
                                 *NET SALES      *         *          *           *
                                 *               ***********          *           *
                                 *               *         *          *           *
                                 *PAST DUE       *         *          *           *
 ********************************                *         *          *           *
  [illegible]         D          *INELIGIBLE     *         *          *           *
                                 *               ***********          *           *
                                 *TOTAL NET      *         *          *           *
 ********************************                *         *          *           *
  [illegible]                    *LESS RESERVE   *         *          *           *
 ********************************                **********************           *
  [illegible]                    *CASH           *                    *           *
 ********************************                **********************           *
  [illegible]         D          *                                    *           *
 ********************************                                     *************

                                 TOTAL AVAIL FOR ADVANCE              *************
```

A 2951

```
                                                                                     GROUP  %          /  /
09/17/71              663    DE LUXE TOPPER *OVERFLOW

ACCTS REC COLL BAL    08/01/71      6,000,000.
    SALES          .   . CRED          .          .
    IN PROCESS                                    .
    COLLECTIONS     .                             .
    ADJUSTMENTS                                   .
GROSS COLLATERAL                                       6,000,000.
    INELIGIBLE                     01/31          .
    PAST DUE MORE THAN        DAYS06/10     !     .
NET COLLATERAL                                         6,000,000.
    DISCOUNT        %                             .
    EQUITY      20 %                1,200,000.           A/C REC AVAILABILITY 4,800,000.

LOAN ACCOUNT BAL      08/01/71                    .
    ADVANCES                                      .
    NET COLLECTIONS                               .
    ADJ            .     EC          .            .      CURRENT LOAN BALANCE          .

                                                         AVAIL ON RECEIVABLES 4,800,000.

OTHER COLLATERAL              .                                                        .
                                   % AVAILAB

                                                  . .    TOTAL AVAILABILITY   4,800,000.


                                          ADDITIONAL ITEMS NOT INCLUDED ABOVE
                          ******************************************************************
                                         *SALES         *          *        *          *
                                         *              ************        *          *
    APP        A/    REC                 *CRED          *          *        *          *
                                         *              ************        *          *
    V..                                  *NET SALES     *          *        *          *
                                         *              ************        *          *
                                         *              *          *        *          *
                                         *PAST DUE      *          *        *          *
                          ****************              *          *        *          *
                                         *INELIGIBLE    *          *        *          *
                                         *              ************        *          *
                                         *TOTAL NET     *          *        *          *
                          ****************              *          *        *          *
                                         *LESS RESERVE*  ********************          *
                          ****************                                  *          *
                                         *CASH        %*                    *          *
                          ****************              ********************           *
                                         *                                  *          *
                          ****************                                  ************

                                         TOTAL AVAIL FOR ADVANCE                 ********
```

```
 [illegible]/71          666    UNSHIPPED RIGHTS OF LUXE,TOPPER CORP

 ACCTS REC COLL BAL    [illegible]/01/71  6/  2,133,440.
 L. SALES       1,069.  CRED   2,196.       1,128.-
    IN PROCESS                                 .
    COLLECTIONS                                .
    ADJUSTMENTS                                .
 GROSS COLLATERAL                                  2.     12.
    INELIGIBLE                   07/30         .
    PAST DUE MORE THAN       DAYS07/30         .
 NET COLLATERAL                     .    !          2,132,312.
    DISCOUNT         %                         .
    EQUITY      50.%             1,066,156.
                                                      A/C REC AVAILABILITY 1,066,156.
 LOAN ACCOUNT BAL       08/01/71               .
    ADVANCES                                   .
    NET COLLECTIONS                            .
    ADJ            .    FC          .          .      CURRENT LOAN BALANCE        .

                                                      AVAIL ON RECEIVABLES 1,066,156.

 OTHER COLLATERAL          .                                                      .
                                   % AVAILAB
                                                      TOTAL AVAILABILITY   1,066,156.

                                         ADDITIONAL ITEMS NOT INCLUDED ABOVE
                *SALES        *          *         *          *
                *             ***********          *          *
                *CRED         *          *         *          *
                *             ***********          *          *
                *NET SALES    *          *         *          *
                *             ***********          *          *
                *                                  *          *
                *PAST DUE     *          *         *          *
                *INELIGIBLE   *          *         *          *
                *             ***********          *          *
                *TOTAL NET    *          *         *          *
                *LESS RESERVE *          *         *          *
                *             ********************            *
                *CASH         *                    *          *
                *             ********************            *
                                                   ************

                TOTAL AVAIL FOR ADVANCE                        *************
```

A 2953

/ /

X

657 TOPPER

05/1/71

ACCTS REC COLL BAL 05/01/71 30,463,108.
SALES . CRED . 2722.618.
IN PROCESS
COLLECTIONS 2641.067.
ADJUSTMENTS 114.141. 30,598.260.
GROSS COLLATERAL 04/24 4158423.
INELIGIBLE
PAST DUE MORE THAN 090 DAYS 06/24 9607751. 16,830.086
NET COLLATERAL
DISCOUNT
EQUITY 3346.017.

LOAN & CURRENT BAL 09/01/71
ADVANCES
NET COLLECTIONS
NET FC

CURRENT LOAN BALANCE 19,249.315.
AVAIL ON RECEIVABLES 5,785.246.

OTHER COLLATERAL % AVAILAB

TOTAL AVAILABILITY 5,785246.

ADDITIONAL ITEMS NOT INCLUDED ABOVE

250000

SALES 5/224 329 401
CRED 841 76658
NET SALES 252.743 202.194
680
PAST DUE
INELIGIBLE 666
TOTAL NET 1015062
LESS RESERVE
CASH

4507.990

TOTAL AVAIL FOR ADVANCE

A 2354

P. EXH 615 10/24/74 ZD

```
[illegible]/71          667          TOPPER CORPORATION                    L77.70   GROUP  5       [illegible]

  ACCTS REC COLL BAL     08/01/71 246   9,094,127.
/1223 SALES 2,774,440.  CRED  52,362.  2,722,078.
     IN PROCESS                                  .
/1228 COLLECTIONS                       2,641,047.
     ADJUSTMENTS                          114,141.
  GROSS COLLATERAL                                        800,721.-
     INELIGIBLE                  07/304,209,901.
     PAST DUE MORE THAN 060 DAYS07/30            .
  NET COLLATERAL                                       5,010,622.-
     DISCOUNT         %                          .
     EQUITY       20  %             1,002,124.
                      .                                    A/C REC AVAILABILITY 6,012,746.-
  LOAN ACCOUNT BAL     09/01/71     5,059,324.
     ADVANCES                       2,795,250.
     NET COLLECTIONS                2,605,259.
     ADJ            .    FC                      .
                                                           CURRENT LOAN BALANCE 5,249,315.

                                                           OVERDRAFT          11,262,061.-DEB

  OTHER COLLATERAL  6,865,282.                             OTHER COLLATERAL
                          000 % AVAILAB
                                                           OVERDRAFT          11,262,061.-DEB

                                              ADDITIONAL ITEMS NOT INCLUDED ABOVE
                                             *SALES
                                             *CRED
                                             *NET SALES
                                             *PAST DUE
                                             *INELIGIBLE
                                             *TOTAL NET
                                             *LESS RESERVE
                                             *CASH        $

                                              TOTAL AVAIL FOR ADVANCE
```

A 2955

```
[illegible]/71          545    DELUXE TOPPER 547 CVEL                                         GROUP 3        / /

ACCTS REC COLL BAL     0?/01/71        8,403,547.
    SALES            . CRED        .            .
    IN PROGRESS                                 .
    COLLECTIONS                                 .
    ADJUSTMENTS                                 .
GROSS COLLATERAL                                       8,403,547.
    INELIGIBLE                  07/30           .
    PAST DUE MORE THAN        DAYS07/305,520,409.
NET COLLATERAL                                !        1,116,862.-
    DISCOUNT            .                       .
    EQUITY       20 %                    223,372.
                                                                 A/C REC AVAILABILITY 1,340,234.-
LOAN ACCOUNT BAL       08/01/71        9,000,000.
    ADVANCES                                    .
    NET COLLECTIONS                             .
    ADJ                .     FC        .        .
                                                                 CURRENT LOAN BALANCE 9,000,000.

                                                                 OVERDRAFT            10,340,234.-DEB

OTHER COLLATERAL             .
                                     % AVAILAB

                                                                 OVERDRAFT            10,340,234.-DEB

                                                        ADDITIONAL ITEMS NOT INCLUDED ABOVE
   ****************************************************************************************************
   [illegible]                                *SALES            *           *         *             *
                                              *                 *************         *             *
   [illegible]      [illegible]               *CRED             *           *         *             *
                                              *                 *************         *             *
   V.P.                                       *NET SALES        *           *         *             *
                                              *                 *************         *             *
                                              *                 *           *         *             *
                                              *PAST DUE         *           *         *             *
                 ***************************  *                 *           *         *             *
   [illegible]     [illegible]                *INELIGIBLE       *           *         *             *
                                              *                 *************         *             *
                                              *TOTAL NET        *           *         *             *
                 ***************************  *                 *           *         *             *
   [illegible]     [illegible]                *LESS RESERVE     *           *         *             *
                 ***************************  *                 ***********************             *
   [illegible]     [illegible]                *CASH             *                     *             *
                 ***************************  *                 ***********************             *
                                              *                                                     *
                 ***************************                                          **************

                                                TOTAL AVAIL FOR ADVANCE
```

A 2356

```
[illegible]/71          664    OVERFLOW ON ACCT. 667                                GROUP  3        /  /

ACCTS REC COLL BAL    09/01/71       6,995,494.
   SALES                CRED
   IN PROCESS
   COLLECTIONS
   ADJUSTMENTS
GROSS COLLATERAL                                      6,995,494.
   INELIGIBLE                  03/16
   PAST DUE MORE THAN      DAYS03/16
NET COLLATERAL                                        6,995,494.
   DISCOUNT
   EQUITY        20 %          1,399,098.             A/C REC AVAILABILITY 5,596,396.

LOAN ACCOUNT BAL      08/01/71       5,000,000.
   ADVANCES
   NET COLLECTIONS
   ADJ                 FC                             CURRENT LOAN BALANCE 5,000,000.

                                                      AVAIL ON RECEIVABLES    596,396.

OTHER COLLATERAL               % AVAILAB

                                                      TOTAL AVAILABILITY      596,396.

                                          ADDITIONAL ITEMS NOT INCLUDED ABOVE
 [illegible] ****************************************************************************
  [illegible]                          *SALES       *          *       *              *
                                       *            ************       *              *
  [illegible] A/C REC                  *CRED        *          *       *              *
                                       *            ************       *              *
  V.A.                                 *NET SALES   *          *       *              *
                                       *            ************       *              *
                                       *            *          *       *              *
                                       *PAST DUE    *          *       *              *
 [illegible] **************************                         *       *              *
  [illegible]                          *INELIGIBLE  *          *       *              *
                                       *            ************       *              *
                                       *TOTAL NET   *          *       *              *
 [illegible] **************************                         *       *              *
  [illegible]                          *LESS RESERVE*          *       *              *
 [illegible] **************************  ********************          *              *
  [illegible]                          *CASH       %*                  *              *
 [illegible] **************************  ********************          *              *
  [illegible]                          *                               *              *
 [illegible] **************************                                ****************

                                       TOTAL AVAIL FOR ADVANCE          **************
```

A 2957

```
[illegible]/71          663    DE LUXE TOPPER *OVERFLOW                                         GROUP  3         /  /

ACCTS REC COLL BAL    08/01/71        6,000,000.
   SALES            . CRED         .           .
   IN PROCESS                                  .
   COLLECTIONS                                 .
   ADJUSTMENTS                                 .
GROSS COLLATERAL                                      6,000,000.
   INELIGIBLE                  01/31           .
   PAST DUE MORE THAN      DAYS06/19           .
NET COLLATERAL                                        6,000,000.
   DISCOUNT                                    .
   EQUITY        20 %                 1,200,000.
                                                           A/C REC AVAILABILITY 4,800,000.
LOAN ACCOUNT BAL      08/01/71                 .
   ADVANCES                                    .
   NET COLLECTIONS                             .
   ADJ            .    FC                      .
                                                           CURRENT LOAN BALANCE           .

                                                           AVAIL ON RECEIVABLES 4,800,000.

OTHER COLLATERAL           .
                                    % AVAILAB                                             .

                                                           TOTAL AVAILABILITY   4,800,000.

                                              ADDITIONAL ITEMS NOT INCLUDED ABOVE
*******************************************************************************************
[illegible]                           *SALES         *          *           *               *
                                      *              ************           *               *
[illegible]    /  EX C                *CRED          *          *           *               *
                                      *              ************           *               *
V.P.                                  *NET SALES     *          *           *               *
                                      *              ************           *               *
                                      *              *          *           *               *
                                      *PAST DUE      *          *           *               *
**************************************               *          *           *               *
[illegible]                           *INELIGIBLE    *          *           *               *
                                      *              ************           *               *
                                      *TOTAL NET     *          *           *               *
**************************************               *          *           *               *
[illegible]                           *LESS RESERVE  *          *           *               *
**************************************               ************************               *
[illegible]    /  [illegible]         *CASH          **                     *               *
**************************************               ************************               *
[illegible]                           *                                     *               *
**************************************                                      *****************

                                      TOTAL AVAIL FOR ADVANCE                ****************
```

A 2958

```
   -/1/71          ***   [illegible] RIGHTS OF LUKE.COPPER CORP

GROSS REC COLL BAL  09/01/71  61 2,133,440.
63 SALES     1,069. CRED   2,195.      1,128.-
    IN PROCESS                              .
    COLLECTIONS                             .
    ADJUSTMENTS                        1,599.
GROSS COLLATERAL                                  2,133,911.
    INELIGIBLE                 07/30        .
    PAST DUE MORE THAN     DAYS07/30        .
NET COLLATERAL                                    2,133,911.
    DISCOUNT        %                       .
    EQUITY      50  %                  1,066,955.
                                                    A/C REC AVAILABILITY 1,066,956.
LOAN ACCOUNT BAL     09/01/71               .
    ADVANCES                                .
    NET COLLECTIONS                         .
    ADJ          .     FC                   .
                                                    CURRENT LOAN BALANCE           .

                                                    AVAIL ON RECEIVABLES 1,066,956.

OTHER COLLATERAL          .
                              % AVAILAB                                            .

                                                    TOTAL AVAILABILITY   1,066,956.

                                           ADDITIONAL ITEMS NOT INCLUDED ABOVE
*****************************************************************************************
  [illegible]                      *SALES  63  * 1646 *        *             *
                                   *           ********        *             *
  [illegible]   A/C  REC           *CRED       *  63  *        *             *
                                   *           ********        *    8/10     *
  V.P.                             *NET SALES  *      *        *             *
                                   *           ********        *             *
                                   *           *      *        *             *
                                   *PAST DUE   *      *        *             *
  ******************************** *           *      *        *             *
  [illegible]                      *INELIGIBLE *      *        *             *
                                   *           ********        *             *
                                   *TOTAL NET  *      *        *             *
  ******************************** *           *      *        *             *
  [illegible]                      *LESS RESERVE*     *        *             *
  ******************************** ********************        *             *
  [illegible]                      *CASH       **              *             *
  ******************************** ****************************             *
  [illegible]                      *                           *             *
  ******************************** *                           ***************
                                                                 1075.066
                                   TOTAL AVAIL FOR ADVANCE       ***************
```

A 2959

09/10/71 [redacted] CORPORATION 667 TOPPER

ACCTS REC COLL BAL	08/01/71	30403108	
SALES	CRED	2722078	
IN PROCESS		252743	
COLLECTIONS		2760051	
ADJUSTMENTS		114.171	
GROSS COLLATERAL			30732.015.
INELIGIBLE	06/30	4153427.	
PAST DUE MORE THAN 060 DAYS	06/30	4531814	
NET COLLATERAL			17.036.782
DISCOUNT %			
EQUITY 20 %		3427.356	

A/C REC AVAILABILITY 13629.426

LOAN ACCOUNT BAL 08/01/71

ADVANCES

NET COLLECTIONS

ADJ FC

CURRENT LOAN BALANCE 17.383.206

AVAIL ON RECEIVABLES 5753.786

OTHER COLLATERAL % AVAILAB

TOTAL AVAILABILITY 5753786.

ADDITIONAL ITEMS NOT INCLUDED ABOVE

AMOUNT REQUESTED $	SALES 1225	227.726		
APPROVED A/C EXEC 250000-	CRED 848	11.344		173.105
V.P.	NET SALES	216.381		
	PAST DUE		666	1075.062
ADDTL REC PROMISED	INELIGIBLE			
2700 K 90	TOTAL NET			
MISSING RECEIPTS	LESS RESERVE			
FIGURED / CHECKED	CASH			
CHECK ISSUED 1.828				4505.615

TOTAL AVAIL FOR ADVANCE

4750 A

A 2960

P. EXH 616 10/24/74

```
     ACCTS REC COLL BAL      09/01/71 748  9,004,127.
1223 SALES 2,774,440.  CRED   52,342.   2,722,078.
1224 IN PROCESS                    847     252,743.
1268 COLLECTIONS                          2,760,055.
       ADJUSTMENTS                          114,141.
     GROSS COLLATERAL                                   666,966.-
       INELIGIBLE                     08/194,159,423.
       PAST DUE MORE THAN 060 DAYS08/19            .
     NET COLLATERAL                                    4,925,389.-
       DISCOUNT         %                 .
       EQUITY        20 %                   965,077.
                                                          A/C REC AVAILABILITY 5,790,466.-
     LOAN ACCOUNT BAL        09/01/71     5,059,324.
       ADVANCES                           3,045,250.
       NET COLLECTIONS                    2,721,368.
       ADJ            .     FC       .             .
                                                          CURRENT LOAN BALANCE 5,383,206.

                                                          OVERDRAFT              11,173,672.-DEB

     OTHER COLLATERAL 6,932,502.      000 % AVAILAB       OTHER COLLATERAL              .

                                                          OVERDRAFT              11,173,672.-DEB

                                            ADDITIONAL ITEMS NOT INCLUDED ABOVE

     AMOUNT REQUESTED $                     *SALES
     APPROVED  A/C EXEC                     *CRED
     V.P.                                   *NET SALES
                                            *PAST DUE
     ADDTL REC PROMISED                     *INELIGIBLE
                                            *TOTAL NET
     MISSING RECEIPTS                       *LESS RESERVE
     FIGURED / CHECKED                      *CASH         %
     CHECK ISSUED

                                         TOTAL AVAIL FOR ADVANCE
```

A 2961

```
09/19/71            455    DELUXE TOPPER 447 OVFL                                  GROUP  %        /  /

ACCTS REC COLL.BAL      09/01/71       8,403,547.
   SALES    .           . CRED                   .
   IN PROCESS                                    .
   COLLECTIONS                                   .
   ADJUSTMENTS                                   .
GROSS COLLATERAL                                     8,403,547.
   INELIGIBLE                       09/19        .
   PAST DUE MORE THAN        DAYS09/199,609,751.
NET COLLATERAL                                       1,206,204.-
   DISCOUNT         %                       1    .
   EQUITY       20 %                   241,240.
                                                           A/C REC AVAILABILITY 1,447,444.-
LOAN ACCOUNT BAL        09/01/71       9,000,000.
   ADVANCES                                      .
   NET COLLECTIONS                               .
   ADJ              .    EC         .            .
                                                           CURRENT LOAN BALANCE 9,000,000.

                                                           OVERDRAFT             10,447,444.-DEB

OTHER COLLATERAL .         .
                                  % AVAILAB

                                                           OVERDRAFT   .  .      10,447,444.-DEB

                                               ADDITIONAL ITEMS NOT INCLUDED ABOVE
   ****************************************************************************************
     AMOUNT REQUESTED  $                     *SALES       *          *       *          *
                                             *            ************       *          *
     APPROVED  A/C EXEC                      *CRED        *          *       *          *
                                             *            ************       *          *
     V.P.                                    *NET SALES   *          *       *          *
                                             *            ************       *          *
                                             *            *          *       *          *
                                             *PAST DUE    *          *       *          *
   ******************************************             *          *       *          *
     ADDTL REC PROMISED                      *INELIGIBLE  *          *       *          *
                                             *            ************       *          *
                                             *TOTAL NET   *          *       *          *
   ******************************************             *          *       *          *
     MISSING RECEIPTS                        *LESS RESERVE*          *       *          *
   ******************************************             *********************         *
     FIGURED / CHECKED                       *CASH       %*                  *          *
   ******************************************             *********************         *
     CHECK ISSUED                            *                               *          *
   ******************************************                                ************

                                             TOTAL AVAIL FOR ADVANCE          ************
```

A 2962

```
ACCTS REC COLLATERAL   08/01/71       6,995,494.
    SALES    .      . CRED      .              .
    IN PROCESS                                 .
    COLLECTIONS                                .
    ADJUSTMENTS                                .
GROSS COLLATERAL                               .  6,995,494.
    INELIGIBLE                    03/16        .
    PAST DUE MORE THAN        DAYS03/16        .
NET COLLATERAL                                    6,995,494.
    DISCOUNT          %                        .
    EQUITY       20 %                 1,399,098.
                                                        A/C REC AVAILABILITY 5,596,396.
LOAN ACCOUNT BAL       08/01/71       5,000,000.
    ADVANCES                                   .
    NET COLLECTIONS                            .
    ADJ               .   FC                   .
                                                        CURRENT LOAN BALANCE 5,000,000.

                                                        AVAIL ON RECEIVABLES   596,396.

OTHER COLLATERAL          .
                                  % AVAILAB

                                                        TOTAL AVAILABILITY     596,396.


                                            ADDITIONAL ITEMS NOT INCLUDED ABOVE
 ******************************************************************************************
  AMOUNT REQUESTED  $                      *SALES       *            *           *           *
                                           *            *************           *           *
  APPROVED  A/C EXEC                       *CRED        *            *           *           *
                                           *            *************           *           *
  V.P.                                     *NET SALES   *            *           *           *
                                           *            *************           *           *
                                           *            *            *           *           *
                                           *PAST DUE    *            *           *           *
 *******************************************            *            *           *           *
  ADDTL REC PROMISED                       *INELIGIBLE  *            *           *           *
                                           *            *************           *           *
                                           *TOTAL NET   *            *           *           *
 *******************************************            *            *           *           *
  MISSING RECEIPTS                         *LESS RESERVE*            *           *           *
 *******************************************            **************************           *
  FIGURED / CHECKED                        *CASH       %*                        *           *
 *******************************************            **************************           *
  CHECK ISSUED                             *                                     *           *
 *******************************************                                     *************
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A 2963

```
08/[illegible]/71            663     DE LUXE TOPPER *OVERFLOW                          GROUP  3           7  7

ACCTS REC COLL.BAL     08/01/71        6,000,000.
   SALES    .          . CRED        .            .
   IN PROCESS                                     .
   COLLECTIONS                                    .
   ADJUSTMENTS                                    .
GROSS COLLATERAL                                     6,000,000.
   INELIGIBLE                    01/31            .
   PAST DUE MORE THAN          DAYS06/10          .
NET COLLATERAL                                       6,000,000.
   DISCOUNT                                       .
   EQUITY        20 %                  1,200,000.
                                                          A/C REC AVAILABILITY 4,800,000.
LOAN ACCOUNT BAL       08/01/71.                  .
   ADVANCES                                       .
   NET COLLECTIONS                                .
   ADJ                .      CC         .         .
                                                          CURRENT LOAN BALANCE             .

                                                          AVAIL ON RECEIVABLES 4,800,000.

OTHER COLLATERAL             .
                                   % AVAILAB                                               .

                                                          TOTAL AVAILABILITY   4,800,000.

                                          ADDITIONAL ITEMS NOT INCLUDED ABOVE
 *****************************************************************************************************
  AMOUNT REQUESTED  $                  *SALES        *          *          *           *
                                       *             ***********           *           *
  APPROVED  A/C EXEC                   *CRED         *          *          *           *
                                       *             ***********           *           *
  V.P.                                 *NET SALES    *          *          *           *
                                       *             ***********           *           *
                                       *             *          *          *           *
                                       *PAST DUE     *          *          *           *
 ***************************************             *          *          *           *
  ADDTL REC PROMISED                   *INELIGIBLE   *          *          *           *
                                       *             ***********           *           *
                                       *TOTAL NET    *          *          *           *
 ***************************************             *          *          *           *
  MISSING RECEIPTS                     *LESS RESERVE*           *          *           *
 *************************************** *****************************************     *
  FIGURED / CHECKED                    *CASH       $*                      *           *
 ***************************************  ******************************************   *
  CHECK ISSUED                         *                                   *           *
 ***************************************                                   *************

                                       TOTAL AVAIL FOR ADVANCE             **************
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A 2964

```
3 . X 08/19/71            666    UNSHIPPED RIGHTS DE LUXE,TOPPER CORP

    ACCTS REC COLL BAL    08/01/71    6/ 2,133,440.
6   SALES  .  1,069./CRED    2,196./      1,127.-
63  IN PROCESS                            16,212./
      COLLECTIONS                              .
      ADJUSTMENTS                          1,599.
    GROSS COLLATERAL                                  2,150,123.
      INELIGIBLE                  08/19        .
      PAST DUE MORE THAN      DAYS08/19        .
    NET COLLATERAL                                    2,150,123.
      DISCOUNT       %                         .
      EQUITY     50  %                 1,075,061.
                                                      A/C REC AVAILABILITY 1,075,062.
    LOAN ACCOUNT BAL      08/01/71             .
      ADVANCES                                 .
      NET COLLECTIONS                          .
      ADJ          .    FC        .            .
                                                      CURRENT LOAN BALANCE          .

                                                      AVAIL ON RECEIVABLES 1,075,062.

    OTHER COLLATERAL         .
                                  % AVAILAB                                         .

                                                      TOTAL AVAILABILITY   1,075,062.

                                             ADDITIONAL ITEMS NOT INCLUDED ABOVE
  ***************************************************************************************
    AMOUNT REQUESTED  $                   *SALES          *         *        *          *
                                          *               ***********        *          *
    APPROVED  A/C EXEC                    *CRED           *         *        *          *
                                          *               ***********        *          *
    V.P.                                  *NET SALES      *         *        *          *
                                          *               ***********        *          *
                                          *               *         *        *          *
                                          *PAST DUE       *         *        *          *
  ****************************************                *         *        *          *
    ADDTL REC PROMISED                    *INELIGIBLE     *         *        *          *
                                          *               ***********        *          *
                                          *TOTAL NET      *         *        *          *
  ****************************************                *         *        *          *
    MISSING RECEIPTS                      *LESS RESERVE   *         *        *          *
  ****************************************                *******************          *
    FIGURED / CHECKED                     *CASH          %*                  *          *
  ****************************************                *******************          *
    CHECK ISSUED                          *                                  *          *
  ****************************************                                   ************

                                     TOTAL AVAIL FOR ADVANCE ____________ ************   X
```

A 2965

09/[illegible]/71 TOPPER 667

ACCTS REC COLL BAL 09/01/71 30403108.
SALES . CRED . 2977821.
IN PROCESS 216381.
COLLECTIONS 2355294.
ADJUSTMENTS 103366
GROSS COLLATERAL 30839382
INELIGIBLE 08/04 4158423.
PAST DUE MORE THAN DAYS06/30 9536812.
NET COLLATERAL 17144147.
DISCOUNT
EQUITY 20 3428829.

A/C REC AVAILABILITY 13715318

LOAN ACCOUNT BAL 09/01/71 ~~[illegible]~~
ADVANCES
NET COLLECTIONS
ADJ FC

CURRENT LOAN BALANCE ~~[illegible]~~ 19287736

AVAIL ON RECEIVABLES ~~[illegible]~~ 5572418

OTHER COLLATERAL
AVAILAB

4110 A

TOTAL AVAILABILITY ~~[illegible]~~ 5572418

ADDITIONAL ITEMS NOT INCLUDED ABOVE

AMOUNT REQUESTED $
APPROVED A/C EXEC 250000
V.P.
ADDL REC RAISED
MISSING RECEIPTS
FIGURED / CHECKED
CHECK ISSUED

SALES 1226	300113		
CRED 249	24231		
NET SALES	275882	@ 80	220705
PAST DUE			250000 8/23
INELIGIBLE		666	1083314
TOTAL NET			
LESS RESERVE			
CASH			

TOTAL AVAIL FOR ADVANCE 4513869.

A 2966

P. EXH 617 10/24/74 R9

```
[illegible]

   ACCTS REC COLL BAL     09/01/71 847  9,004,127.
1224 SALES 3,103,941 /CRED 129,070.  2,974,871.
1225 IN PROCESS 878                     216,391.
1226 COLLECTIONS                      2,959,294.
     ADJUSTMENTS                        103,366.
   GROSS COLLATERAL                                        559,599.-
     INELIGIBLE                     08/194,158,423.
     PAST DUE MORE THAN 060 DAYS08/19                   4,718,022.-
   NET COLLATERAL
     DISCOUNT       %
     EQUITY      20 %                   943,604.     A/C REC AVAILABILITY 5,661,626.-

   LOAN ACCOUNT BAL       09/01/71    5,059,324.
     ADVANCES                         3,045,250.
     NET COLLECTIONS                  2,916,938.
     ADJ              FC                             CURRENT LOAN BALANCE 5,287,736.

                                                     OVERDRAFT            10,949,362.-DEB

   OTHER COLLATERAL 6,936,791.                       OTHER COLLATERAL
                               000 % AVAILAB
                                                     OVERDRAFT            10,949,362.-DEB

                                   ADDITIONAL ITEMS NOT INCLUDED ABOVE
 *******************************************************************************************
  AMOUNT REQUESTED  $                    *SALES         *          *       *           *
                                         *              ************       *           *
  APPROVED  A/C EXEC                     *CRED          *          *       *           *
                                         *              ************       *           *
  V.P.                                   *NET SALES     *          *       *           *
                                         *              ************       *           *
                                         *              *          *       *           *
                                         *PAST DUE      *          *       *           *
 *****************************************              *          *       *           *
  ADDIL REC PROMISED                     *INELIGIBLE    *          *       *           *
                                         *              ************       *           *
                                         *TOTAL NET     *          *       *           *
 *****************************************              *          *       *           *
  MISSING RECEIPTS                       *LESS RESERVE  *          *       *           *
 *****************************************              ********************           *
  FIGURED / CHECKED                      *CASH         $*                  *           *
 *****************************************              ********************           *
  CHECK ISSUED                           *                                 *           *
 *****************************************                                 *************

                                         TOTAL AVAIL FOR ADVANCE           *************
```

A 2367

```
[illegible]/71          665    DELUXE [illegible]

ACCTS REC COLL BAL   03/01/71        8,403,547.
   SALES       .    . CRED
   IN PROCESS
   COLLECTIONS
   ADJUSTMENTS
GROSS COLLATERAL                                 8,403,547.
   INELIGIBLE                    08/19
   PAST DUE MORE THAN      DAYS08/19[illegible],609,751.
NET COLLATERAL                          1        1,206,204.-
   DISCOUNT      %
   EQUITY      20 %                 241,240.
                                                 A/C REC AVAILABILITY 1,447,444.-
LOAN ACCOUNT BAL     09/01/71        9,000,000.
   ADVANCES
   NET COLLECTIONS
   ADJ          .   EC
                                                 CURRENT LOAN BALANCE 9,000,000.

                                                 OVERDRAFT            10,447,444.-DEB

OTHER COLLATERAL        .        % AVAILAB

                                                 OVERDRAFT            10,447,444.-DEB

                                ADDITIONAL ITEMS NOT INCLUDED ABOVE

  AMOUNT REQUESTED  $                  *SALES
  APPROVED  A/C EXEC                   *CRED
  V.P.                                 *NET SALES

                                       *PAST DUE
  ADDTL REC PROMISED                   *INELIGIBLE
                                       *TOTAL NET
  MISSING RECEIPTS                     *LESS RESERVE*
  FIGURED / CHECKED                    *CASH
  CHECK ISSUED

                                        TOTAL AVAIL FOR ADVANCE
```

A 2968

```
  /  /          [illegible] QUARTERMASTER CORP                                          /  /
 x
ACCTS REC COLL BAL    09/01/71 61   2,133,440.
63 SALES    17,291./CRED    2,196./    15,095.
     IN PROCESS                              .
     COLLECTIONS                             .
     ADJUSTMENTS                        1,599.
GROSS COLLATERAL                                  2,150,124.
     INELIGIBLE                   09/19      .
     PAST DUE MORE THAN       DAYS09/19      .
NET COLLATERAL                                    2,150,124.
     DISCOUNT       %                        .
     EQUITY     50  %                1,075,062.
                                                       A/C REC AVAILABILITY 1,075,062.
LOAN ACCOUNT BAL      09/01/71               .
     ADVANCES                                .
     NET COLLECTIONS                         .
     ADJ             .   FC                  .
                                                       CURRENT LOAN BALANCE           .

                                                       AVAIL ON RECEIVABLES 1,075,062.

OTHER COLLATERAL        .
                                 % AVAILAB                                            .

                                                       TOTAL AVAILABILITY   1,075,062.

                                             ADDITIONAL ITEMS NOT INCLUDED ABOVE
**********************************************************************************************
  AMOUNT REQUESTED  $                   *SALES 64   * 16564 *         *            *
                                        *           *********         *    8282    *
  APPROVED  A/C EXEC                    *CRED       *       *         *            *
                                        *           *********         *            *
  V.P.                                  *NET SALES  *       *         *            *
                                        *           *********         *            *
                                        *           *       *         *            *
                                        *PAST DUE   *       *         *            *
****************************************            *       *         *            *
  ADDTL REC PROMISED                    *INELIGIBLE *       *         *            *
                                        *           *********         *            *
                                        *TOTAL NET  *       *         *            *
****************************************            *       *         *            *
  MISSING RECEIPTS                      *LESS RESERVE*      *         *            *
****************************************            *******************            *
  FIGURED / CHECKED                     *CASH       $*                *            *
****************************************            *******************            *
  CHECK ISSUED                          *                             *            *
****************************************                              **************
                                                                        1083344
                                  TOTAL [illegible] FOR ADVANCE       **************     x
```

A 2969

Potter

```
09/24/71
ACCTS REC COLL BAL       09/01/71   30403108 .
    SALES                . CRED     .3234322 .
    IN PROCESS                        127762 .
    COLLECTIONS                      3218417 .
    ADJUSTMENTS                       103366 .  30755141.
GROSS COLLATERAL                09/04/1153423.
    INELIGIBLE
    PAST DUE MORE THAN      DAYS06/30/5365312.  17059406.
NET COLLATERAL
    DISCOUNT
    EQUITY        20                 3411981 .        A/C REC AVAILABILITY 13647925

LOAN ACCOUNT BAL    09/01/71
    ADVANCES                                                  17462065
    NET COLLECTIONS                                CURRENT LOAN BALANCE
    ADJ                 EC
                                                   AVAIL ON RECEIVABLES
                                                              5814140

OTHER COLLATERAL             % AVAILAB

                                                   TOTAL AVAILABILITY
                                                              5814140
```

See Letter

ADDITIONAL ITEMS NOT INCLUDED ABOVE

```
AMOUNT REQUESTED $              SALES  1227      342713
APPROVED A/C EXEC  700,000      CRED   350       12036
                                NET SALES        354749   @ 30   283777
V.P.
    2,505.16                    PAST DUE
                                INELIGIBLE                666    1083344
AMOUNT REC PROMISED             TOTAL NET
                                LESS RESERVE
MISSING RECEIPTS $              CASH             $
FIGURES / CHECKED
CHECK ISSUED $                                                   4441997
                                TOTAL AVAIL FOR ADVANCE
```

P. EXH 618 10/24/74

```
  03/31/71        447          [illegible] CORPORATION                 L77.70   GROUP 3        03/31/72

  ACCTS REC COLL BAL   09/01/71 549  9,004,127.
1226 SALES 3,403,955 /CRED 164,633 / 3,239,322.
1225 IN PROCESS                        227,162. /
1271 COLLECTIONS                     3,219,417. /
     ADJUSTMENTS                       103,366.
  GROSS COLLATERAL                                      643,840.-
     INELIGIBLE              08/194,158,423.
     PAST DUE MORE THAN 060 DAYS08/19        .
  NET COLLATERAL                                      4,802,263.-
     DISCOUNT       %                        .
     EQUITY      20 %                  950,452.
                                                  A/C REC AVAILABILITY 5,762,715.-
  LOAN ACCOUNT BAL     03/01/71      5,059,324.
     ADVANCES                        3,545,250.
     NET COLLECTIONS                 3,142,509.
     ADJ           .     EC    .             .
                                                  CURRENT LOAN BALANCE 5,462,065.

                                                  OVERDRAFT           11,224,780.-DEB

  OTHER COLLATERAL 6,844,471.
                            000 % AVAILAB         OTHER COLLATERAL         .

                                                  OVERDRAFT           11,224,780.-DEB

                                           ADDITIONAL ITEMS NOT INCLUDED ABOVE
  ****************************************************************************************
   AMOUNT REQUESTED  $                   *SALES       *           *       *           *
                                         *            ************        *           *
   APPROVED  A/C EXEC                    *CRED        *           *       *           *
                                         *            ************        *           *
   V.P.                                  *NET SALES   *           *       *           *
                                         *            ************        *           *
                                         *PAST DUE    *           *       *           *
  ****************************************            *           *       *           *
   ADDTL REC PROMISED                    *INELIGIBLE  *           *       *           *
                                         *            ************        *           *
                                         *TOTAL NET   *           *       *           *
  ****************************************            *           *       *           *
   MISSING RECEIPTS '77'                 *LESS RESERVE*           *       *           *
  ****************************************            *********************           *
   FIGURED / CHECKED                     *CASH       %*                   *           *
  ****************************************            *********************           *
   CHECK ISSUED                          *                                *           *
  ****************************************                                *************

                                         TOTAL AVAIL FOR ADVANCE          *************
```

A 2971

```
  08/27/71           615    DELUXE TOPPER 567 OVEL                                     GROUP  3      1/1

ACCTS REC COLL BAL    08/01/71      8,403,547.
   SALES       .  CRED
    IN PROCESS
    COLLECTIONS
    ADJUSTMENTS
GROSS COLLATERAL                                    8,403,547.
    INELIGIBLE              08/19
    PAST DUE MORE THAN      DAYS08/199,609,751.
NET COLLATERAL                                      1,206,204.-
    DISCOUNT
    EQUITY       20 %                241,240.
                                                            A/C REC AVAILABILITY 1,447,444.-
LOAN ACCOUNT BAL      08/01/71      9,000,000.
    ADVANCES
    NET COLLECTIONS
    ADJ             FC
                                                            CURRENT LOAN BALANCE 9,000,000.

                                                            OVERDRAFT            10,447,444.-DEB

OTHER COLLATERAL
                                  % AVAILAB

                                                            OVERDRAFT            10,447,444.-DEB

                                              ADDITIONAL ITEMS NOT INCLUDED ABOVE
 ***************************************************************************************************
  AMOUNT REQUESTED  $                     *SALES       *         *          *         *
                                          *            ***********          *         *
  APPROVED  A/C EXEC                      *CRED        *         *          *         *
                                          *            ***********          *         *
  V.P.                                    *NET SALES   *         *          *         *
                                          *            ***********          *         *
                                          *            *         *          *         *
                                          *PAST DUE    *         *          *         *
 ******************************************            *         *          *         *
  ADDTL REC PROMISED                      *INELIGIBLE  *         *          *         *
                                          *            ***********          *         *
                                          *TOTAL NET   *         *          *         *
 ******************************************            *         *          *         *
  MISSING RECEIPTS                        *LESS RESERVE*         *          *         *
 ******************************************            **********************         *
  FIGURED / CHECKED                       *CASH       $*                    *         *
 ******************************************            **********************         *
  CHECK ISSUED                            *                                 *         *
 ******************************************                                 ***********

                                          TOTAL AVAIL FOR ADVANCE           ***********
```

A 2972

```
0?/2?/71              6?4   OVERFLOW ON ACCT. 567                                   GROUP

ACCTS REC COLL BAL    09/01/71       6,995,494.
    SALES           . CRED                     .
    DISCOUNTS                                  .
    COLLECTIONS                                .
    ADJUSTMENTS                                .
GROSS COLLATERAL                                      6,995,494.
    INELIGIBLE                     0?/16       .
    PAST DUE MORE THAN         DAYS03/16       .
NET COLLATERAL                           $     .      6,995,494.
    DISCOUNT                                   .
    EQUITY       20.?                1,399,098.
                                                        A/C REC AVAILABILITY 5,596,396.
LOAN ACCOUNT BAL      08/01/71       5,000,000.
    ADVANCES                                   .
    NET COLLECTIONS                            .
    ADJ             .  FC                      .
                                                        CURRENT LOAN BALANCE 5,000,000.

                                                        AVAIL ON RECEIVABLES   596,396.

OTHER COLLATERAL                               
                                   % AVAILAB

                                                        TOTAL AVAILABILITY     596,396.

                                          ADDITIONAL ITEMS NOT INCLUDED ABOVE
**********************************************************************************************
  AMOUNT REQUESTED  $                      *SALES        *          *          *          *
                                           *             ************          *          *
  APPROVED  A/C EXEC                       *CRED         *          *          *          *
                                           *             ************          *          *
  V.P.                                     *NET SALES    *          *          *          *
                                           *             ************          *          *
                                           *             *          *          *          *
                                           *PAST DUE     *          *          *          *
*******************************************              *          *          *          *
  ADDTL REC PROMISED                       *INELIGIBLE   *          *          *          *
                                           *             ************          *          *
                                           *TOTAL NET    *          *          *          *
*******************************************              *          *          *          *
  MISSING RECEIPTS                         *LESS RESERVE*           *          *          *
*******************************************  ***************************       *          *
  FIGURED / CHECKED                        *CASH        $*                     *          *
*******************************************  ***************************       *          *
  CHECK ISSUED                             *                                   *          *
*******************************************                                    ************

                                   TOTAL AVAIL FOR ADVANCE ________*************_____________
```

A 2573

```
09/01/71           663    DE LUXE TOPPER  OVERFLOW                              GROUP  8

ACCTS REC COLL BAL    09/01/71      6,000,000.
   SALES                . CRED                   .
   IN PROCESS                                    .
   COLLECTIONS                                   .
   ADJUSTMENTS                                   .
GROSS COLLATERAL                                 .   6,000,000.
   INELIGIBLE                        01/71       .
   PAST DUE MORE THAN      DAYS06/10             .
NET COLLATERAL                                   .   6,000,000.
   DISCOUNT                                      .
   EQUITY       20 %                1,200,000.           A/C REC AVAILABILITY 4,800,000.

LOAN ACCOUNT BAL      09/01/71                   .
   ADVANCES                                      .
   NET COLLECTIONS                               .
   ADJ            .    FC                        .
                                                         CURRENT LOAN BALANCE        .

                                                         AVAIL ON RECEIVABLES 4,800,000.

OTHER COLLATERAL                  % AVAILAB

                                                         TOTAL AVAILABILITY   4,800,000.

                                                ADDITIONAL ITEMS NOT INCLUDED ABOVE
*************************************************************************************
  AMOUNT REQUESTED  $                         *SALES         *          *          *          *
                                              *              ************          *          *
  APPROVED   A/C EXEC                         *CRED          *          *          *          *
                                              *              ************          *          *
  V.P.                                        *NET SALES     *          *          *          *
                                              *              ************          *          *
                                              *              *          *          *          *
                                              *PAST DUE      *          *          *          *
**********************************************               *          *          *          *
  ADDTL A/C PROMISED                          *INELIGIBLE    *          *          *          *
                                              *              ************          *          *
                                              *TOTAL NET     *          *          *          *
**********************************************               *          *          *          *
  MISSING RECEIPTS                            *LESS RESERVE  *          *          *          *
**********************************************               ***********************          *
  FIGURED / CHECKED                           *CASH         $*                     *          *
**********************************************               ***********************          *
  CHECK ISSUED                                *                                    *          *
**********************************************                                     ************
```

A 2974

```
[illegible]/71          446    UNSHIPPED RIGHTS OF LUAF,TOPPER CORP

GROSS R/C COLL BAL     09/01/71 61  /2,123,449.
14 SALES    . 33,866./CRED   2,196./       31,669.
   IN [illegible]S                                 .
   COLLECTIONS                                     .
   ADJUSTMENTS                           1,529.
GROSS COLLATERAL                                       2,144,698.
   INELIGIBLE                   08/19              .
   PAST DUE MORE THAN        DAYS08/19             .   2,144,698.
NET COLLATERAL                           $
   [illegible]          .                          .
   EQUITY      50 .                      1,083,344.        A/C REC AVAILABILITY 1,083,344.

LOAN [illegible] BAL     09/01/71                  .
   ADVANCES                                        .
   NET COLLECTIONS                                 .
   [illegible]         .      EC.       .     .    .       CURRENT LOAN BALANCE        .

                                                           AVAIL ON RECEIVABLES 1,083,344.

OTHER COLLATERAL            .         . AVAILAB                                     .

                                                           TOTAL AVAILABILITY   1,083,344.

                                           ADDITIONAL ITEMS NOT INCLUDED ABOVE

    AMOUNT REQUESTED  $                   SALES
                                          CRED
    APPROVED  A/C EXEC                    NET SALES
    V.P.
                                          PAST DUE
                                          INELIGIBLE
    ADDTL R/C PROMISED                    TOTAL NET
                                          LESS RESERVE
    MISSING RECEIPTS
                                          CASH            $
    RECORDED / CHECKED

    CHECK ISSUED

                                     TOTAL AVAIL FOR ADVANCE
```

A 2975

TOPPER 667

```
OJ  09/24/71         [illegible]

ACCTS REC COLL BAL    09/01/71     30443103.
  SALES              . CRED        . 3467084.
    IN PROCESS                       547244.
    COLLECTIONS                     3250191.
    ADJUSTMENTS                       55151.
GROSS COLLATERAL                               31257426.
    INELIGIBLE                 09/0442  1/552.
    PAST DUE MORE THAN     DAYS06/30  4/536812.
NET COLLATERAL                                 17483062
    DISCOUNT
    EQUITY          20%            3496612.
                                          A/C REC AVAILABILITY 13986450
LOAN ACCOUNT BAL      09/01/71     [illegible]
    ADVANCES
    NET COLLECTIONS
    ADJ               FC
                                                               19658968
                                          CURRENT LOAN BALANCE  [illegible]

                                          AVAIL ON RECEIVABLES  [illegible]
OTHER COLLATERAL                                               5672518
                         % AVAILAB

                                          TOTAL AVAILABILITY    [illegible]
                                                               5672518

                                  ADDITIONAL ITEMS NOT INCLUDED ABOVE
*****************************************************************************
  AMOUNT REQUESTED   $              *SALES        *          *          *
                                    *             ************          *
  APPROVED  A/C EXEC   159005       *CRED         *          *          *
                                    *             ************          *
  V.P.                              *NET SALES    *          *          *
                                    *             ************          *
                                    *             *          *          *
                                    *PAST DUE     *          *          *
************************************              *          *          *
  ADDTL REC PROMISED                *INELIGIBLE   *          *          *
                                    *             ***********  666 *1090937
                                    *TOTAL NET    *          *          *
************************************              *          *          *
  MISSING RECEIPTS                  *LESS RESERVE*           *          *
************************************              ************************
  FIGURES / CHECKED                 *CASH        %*                     *
************************************              ************************
  CHECK ISSUED                      *                                   *
************************************                         ************
                                                              4581581
                          TOTAL AVAIL FOR ADVANCE             ***********
```

P. EXH. 619 10/24/74 - RD

```
[illegible]            [illegible]    [illegible] CORPORATION                   L77.70   GROUP   *            [illegible]

      ACCTS REC COLL BAL   ,08/01/71 344 ,9,004,127.
 1226 SALES 3,631,717./CRED 164,633./ 3,467,084./
 1227-28 IN PROCESS 551                 549,244./
 1212 COLLECTIONS                     3,250,191./
         ADJUSTMENTS                     88,181.
      GROSS COLLATERAL                                    141,555.-
         INELIGIBLE               08/194,158,423.
         PAST DUE MORE THAN 060 DAYS08/19        .
      NET COLLATERAL                                    4,299,978.-
         DISCOUNT        %                       .
         EQUITY       20 %                 859,995.
                                                              A/C REC AVAILABILITY 5,159,973.-
      LOAN ACCOUNT BAL      08/01/71      5,059,324.
         ADVANCES                         3,772,800.
         NET COLLECTIONS                  3,173,156.
         ADJ               .    FC       .        .
                                                              CURRENT LOAN BALANCE 5,658,968.

                                                              OVERDRAFT            10,818,941.-DEB

      OTHER COLLATERAL.6,855,014.
                                000 % AVAILAB                 OTHER COLLATERAL              .

                                                              OVERDRAFT            10,818,941.-DEB

                                                 ADDITIONAL ITEMS NOT INCLUDED ABOVE
      ****************************************************************************************
        AMOUNT REQUESTED  $                     *SALES      *          *         *             *
                                                *           ************         *             *
        APPROVED  A/C EXEC                      *CRED       *          *         *             *
                                                *           ************         *             *
        V.P.                                    *NET SALES  *          *         *             *
                                                *           ************         *             *
                                                *           *          *         *             *
                                                *PAST DUE   *          *         *             *
      ******************************************            *          *         *             *
        ADDTL REC PROMISED                      *INELIGIBLE *          *         *             *
                                                *           ************         *             *
                                                *TOTAL NET  *          *         *             *
      ******************************************            *          *         *             *
        MISSING RECEIPTS                        *LESS RESERVE*         *         *             *
      ******************************************            **********************             *
        FIGURED / CHECKED                       *CASH      $*                    *             *
      ******************************************            **********************             *
        CHECK ISSUED                            *                                *             *
      ******************************************                                 ***************

                                          TOTAL AVAIL FOR ADVANCE                ***************
```

A 2377

```
  09/24/71           665    DELUXE TOPPER 667 OVFL                                     GROUP  3        /  /

ACCTS REC COLL BAL    09/01/71         8,403,547.
 . SALES          . CRED          .             .
   IN PROCESS                                   .
   COLLECTIONS                                  .
   ADJUSTMENTS                                  .
GROSS COLLATERAL                                           8,403,547.
   INELIGIBLE                    08/19          .
   PAST DUE MORE THAN        DAYS08/199,609,751.
NET COLLATERAL                                             1,206,204.-
   DISCOUNT       %                         !   .
   EQUITY     20  %                       241,240.
                                                               A/C REC AVAILABILITY 1,447,444.-
LOAN ACCOUNT BAL      09/01/71         9,000,000.
   ADVANCES .                                   .
   NET COLLECTIONS                              .
   ADJ          .    FC         .               .
                                                               CURRENT LOAN BALANCE 9,000,000.

                                                               OVERDRAFT              10,447,444.-DEB

OTHER COLLATERAL.         .
                                 % AVAILAB

                                                               OVERDRAFT              10,447,444.-DEB

                                               ADDITIONAL ITEMS NOT INCLUDED ABOVE
 ******************************************************************************************************
  AMOUNT REQUESTED  $                    *SALES          *          *           *           *
                                         *               ************           *           *
  APPROVED  A/C EXEC                     *CRED !         *          *           *           *
                                         *               ************           *           *
  V.P.                                   *NET SALES      *          *           *           *
                                         *               ************           *           *
                                         *               *          *           *           *
                                         *PAST DUE       *          *           *           *
 *****************************************               *          *           *           *
  ACCTL REC PROMISED                     *INELIGIBLE     *          *           *           *
                                         *               ************           *           *
                                         *TOTAL NET      *          *           *           *
 *****************************************               *          *           *           *
  [illegible]                            *LESS RESERVE   *          *           *           *
 *****************************************               ************************           *
  [illegible]                            *CASH           *                      *           *
 *****************************************               ************************           *
                                         *                                      *           *
 *****************************************                                      *************

                                         * [illegible] ADVANCE                  *************
```

A 2578

```
08/24/71              644    OVERFLOW ON ACCT. 667                                          GROUP  %        / /

ACCTS REC COLL BAL    08/01/71         6,995,494.
 . SALES             . CRED        .           .
    IN PROCESS                                 .
    COLLECTIONS                                .
    ADJUSTMENTS                                .
GROSS COLLATERAL                                      6,995,494.
    INELIGIBLE                        03/16    .
    PAST DUE MORE THAN          DAYS03/16      .
NET COLLATERAL                                        6,995,494.
    DISCOUNT          %                        .
    EQUITY      20 %                   1,399,098.
                                                              A/C REC AVAILABILITY 5,596,396.
LOAN ACCOUNT BAL     08/01/71          5,000,000.
    ADVANCES                                   .
    NET COLLECTIONS                            .
    ADJ              .  FC         .           .
                                                              CURRENT LOAN BALANCE 5,000,000.

                                                              AVAIL ON RECEIVABLES    596,396.

OTHER COLLATERAL            .
                                    % AVAILAB

                                                              TOTAL AVAILABILITY      596,396.

                                                  ADDITIONAL ITEMS NOT INCLUDED ABOVE
  *****************************************************************************************
   AMOUNT REQUESTED  $                      *SALES       *          *        *           *
                                            *            ************        *           *
   APPROVED  A/C EXEC                       *CRED        *          *        *           *
                                            *            ************        *           *
   V.P.                                     *NET SALES   *          *        *           *
                                            *            ************        *           *
                                            *            *          *        *           *
                                            *PAST DUE    *          *        *           *
  ******************************************             *          *        *           *
   ADDTL REC PROMISED                       *INELIGIBLE  *          *        *           *
                                            *            ************        *           *
                                            *TOTAL NET   *          *        *           *
  ******************************************             *          *        *           *
   MISSING RECEIPTS                         *LESS RESERVE*          *        *           *
  ******************************************             *********************           *
   FIGURED / CHECKED                        *CASH       %*                   *           *
  ******************************************             *********************           *
   CHECK ISSUED                             *                                *           *
  ******************************************                                 *************

                                            TOTAL AVAIL FOR ADVANCE          *************
```

A 2979

```
09/24/71             663    DE LUXE TOPPER *OVERFLOW                              GROUP  3          / /

ACCTS REC COLL BAL    09/01/71        6,000,000.
   SALES           . CRED          .            .
   IN PROCESS                                   .
   COLLECTIONS                                  .
   ADJUSTMENTS                                  .
GROSS COLLATERAL                                      6,000,000.
   INELIGIBLE                      01/31        .
   PAST DUE MORE THAN          DAYS06/10        .
NET COLLATERAL                                        6,000,000.
   DISCOUNT        %                            .
   EQUITY       20 %                  1,200,000.
                                                         A/C REC AVAILABILITY 4,800,000.
LOAN ACCOUNT BAL     09/01/71                   .
   ADVANCES                                     .
   NET COLLECTIONS                              .
   ADJ           .    FC          .             .
                                                         CURRENT LOAN BALANCE               .

                                                         AVAIL ON RECEIVABLES 4,800,000.

OTHER COLLATERAL           .
                                    % AVAILAB                                               .

                                                         TOTAL AVAILABILITY   4,800,000.


                                               ADDITIONAL ITEMS NOT INCLUDED ABOVE
**************************************************************************************************
  AMOUNT REQUESTED  $                         *SALES         *           *          *          *
                                              *              ************          *          *
  APPROVED  A/C EXEC                          *CRED          *           *          *          *
                                              *              ************          *          *
  V.P.                                        *NET SALES     *           *          *          *
                                              *              ************          *          *
                                              *              *           *          *          *
                                              *PAST DUE      *           *          *          *
**********************************************               *           *          *          *
  ADDTL REC PROMISED                          *INELIGIBLE    *           *          *          *
                                              *              ************          *          *
                                              *TOTAL NET     *           *          *          *
**********************************************               *           *          *          *
  MISSING RECEIPTS                            *LESS RESERVE  *           *          *          *
**********************************************               **********************          *
  FIGURED / CHECKED                           *CASH         %*                      *          *
**********************************************               **********************          *
  CHECK ISSUED                                *                                     *          *
**********************************************                                      ************

                                              TOTAL AVAIL FOR ADVANCE               ************
```

A 2980

```
09/24/71              666    UNSHIPPED RIGHTS DE LUXE,TOPPER CORP

ACCTS REC COLL BAL  / 09/01/71 61   / 2,133,440.
BY SALES     33,845./CRED    2,196./     31,649.
   IN PROCESS                                 .
   COLLECTIONS                                .
   ADJUSTMENTS                          16,784.
GROSS COLLATERAL                                   2,181,873.
   INELIGIBLE                 08/19           .
   PAST DUE MORE THAN     DAYS08/19           .
NET COLLATERAL                                     2,181,873.
   DISCOUNT          %                        .
   EQUITY       50   %               1,090,936.      A/C REC AVAILABILITY 1,090,937.

LOAN ACCOUNT BAL      09/01/71                .
   ADVANCES                                   .
   NET COLLECTIONS                            .
   ADJ              .    FC         .         .      CURRENT LOAN BALANCE           .

                                                     AVAIL ON RECEIVABLES 1,090,937.

OTHER COLLATERAL        .           % AVAILAB                                     .

                                                     TOTAL AVAILABILITY   1,090,937.

                                         ADDITIONAL ITEMS NOT INCLUDED ABOVE

  AMOUNT REQUESTED   $                      *SALES
                                            *CRED
  APPROVED  A/C EXEC
                                            *NET SALES
  V.P.
                                            *PAST DUE

  ADDTL REC PROMISED                        *INELIGIBLE

                                            *TOTAL NET

  MISSING RECEIPTS                          *LESS RESERVE*

  FIGURED / CHECKED                         *CASH      %

  CHECK ISSUED

                                    TOTAL AVAIL FOR ADVANCE ______________
```

A 2381

09/2[illegible]/71 [redacted] TOPPER 667

ACCTS REC COLL BAL 09/01/71 36403108.
SALES . CRED . 4016324.
IN PROCESS 325581.
COLLECTIONS 3431544.
ADJUSTMENTS 55151.
GROSS COLLATERAL 31393150.
INELIGIBLE 08/04 4237552.
PAST DUE MORE THAN DAYS 06/30 9536812.
NET COLLATERAL 17618886.
DISCOUNT
EQUITY 20 % 3523777.

A/C REC AVAILABILITY 14095109.

LOAN ACCOUNT BAL 09/01/71 [redacted]
ADVANCES
NET COLLECTIONS
ADJ . FC

CURRENT LOAN BALANCE [redacted] 19622.797
AVAIL ON RECEIVABLES [redacted] 5527653

OTHER COLLATERAL

% AVAILAB

TOTAL AVAILABILITY [redacted] 5527655

ADDITIONAL ITEMS NOT INCLUDED ABOVE

AMOUNT REQUESTED $
APPROVED A/C EXEC 250,000
V.P.

ACCOUNT [illegible] [illegible]
5150 2130

MISC [illegible]
[illegible] / CHECK [illegible]
CHECK ISSUED [illegible]

SALES
CRED
NET SALES
PAST DUE
INELIGIBLE 666 1090 937
TOTAL NET
LESS RESERVE
CASH

TOTAL AVAIL FOR ADVANCE 4436751

A 2982

P. EXH 620 10/24/74

```
   [illegible]/71           667           TOPPER CORPORATION                         L77.70   GROUP  [illegible]      [illegible]/72

   ACCTS REC COLL BAL     08/01/71 857 , 9,004,127.
1228 SALES 4,185,353./CRED 169,024./  4,016,329.
1229 IN PROCESS 85%                      323,591./
1223 COLLECTIONS                       3,437,949./
       ADJUSTMENTS                         99,191.
   GROSS COLLATERAL                                       5,731.-
       INELIGIBLE                 08/244,237,552.
       PAST DUE MORE THAN 060 DAYS08/19         .
   NET COLLATERAL                                     4,243,283.-
       DISCOUNT        .                         .
       EQUITY       20 %                  848,656.
                                                          A/C REC AVAILABILITY 5,091,939.-
                        .
   LOAN ACCOUNT BAL       08/01/71       5,059,324.
       ADVANCES                          3,922,800.
       NET COLLECTIONS                   3,359,327.
       ADJ             .    FC       .           .
                                                          CURRENT LOAN BALANCE 5,622,797.

                                                          OVERDRAFT            10,714,736.-DEB

   OTHER COLLATERAL 6,589,666.
                                     000 % AVAILAB        OTHER COLLATERAL             .

                                                          OVERDRAFT            10,714,736.-DEB


                                                ADDITIONAL ITEMS NOT INCLUDED ABOVE
  *********************************************************************************************
    AMOUNT REQUESTED  $                     *SALES        *           *           *           *
                                            *             *************           *           *
    APPROVED  A/C EXEC                      *CRED         *           *           *           *
                                            *             *************           *           *
    V.P.                                    *NET SALES    *           *           *           *
                                            *             *************           *           *
                                            *             *           *           *           *
                                            *PAST DUE     *           *           *           *
  ******************************************              *           *           *           *
    ADDTL REC PROMISED                      *INELIGIBLE   *           *           *           *
                                            *             *************           *           *
                                            *TOTAL NET    *           *           *           *
  ******************************************              *           *           *           *
    MISSING RECEIPTS                        *LESS RESERVE *           *           *           *
  ******************************************              *************************           *
    FIGURE / CHECK                          *CASH        $*                       *           *
  ******************************************              *************************           *
    CHECK ISSUED                            *                                     *           *
  ******************************************                                      *************

                                          TOTAL AVAIL FOR ADVANCE                 *************
```

A 2983

```
                                                                                GROUP  3        /  /
  08/25/71              665    DELUXE TOPPER 667 OVEL

ACCTS REC COLL BAL   08/01/71       8,403,547.
   SALES      .  . CRED          .            .
    IN PROCESS                                .
    COLLECTIONS                               .
    ADJUSTMENTS                               .           8,403,547.
GROSS COLLATERAL
    INELIGIBLE                 08/19          .
    PAST DUE MORE THAN      DAYS07/319,536,812.           1,133,265.-
NET COLLATERAL                          $     .
    DISCOUNT          .
    EQUITY      20 %                  226,653.                 A/C REC AVAILABILITY 1,359,918.-

LOAN ACCOUNT BAL     09/01/71       9,000,000.
    ADVANCES                                  .
    NET COLLECTIONS                           .
    ADJ           .    FC            .        .                CURRENT LOAN BALANCE 9,000,000.

                                                               OVERDRAFT            10,359,918.-DEB

 OTHER COLLATERAL            .            % AVAILAB

                                                               OVERDRAFT            10,359,918.-DEB

                                            ADDITIONAL ITEMS NOT INCLUDED ABOVE
   AMOUNT REQUESTED $                     SALES
   APPROVED  A/C EXEC                     CRED
   V.P.                                   NET SALES
                                          PAST DUE
                                          INELIGIBLE
   ADDL REC PURCHASED
                                          TOTAL NET
                                          LESS RESERVE
   MISSING & CHIPS
                                          CASH        $
   RIGHT .D / CHECKED
   CHECK ISSUED

                                          TOTAL AVAIL FOR ADVANCE
```

A 2984

```
 08/26/71            664   OVERFLOW ON ACCT. 667                                              GROUP %        / /

ACCTS REC COLL BAL    08/01/71        6,995,494.
   SALES      .  CRED        .                 .
   IN PROCESS                                  .
   COLLECTIONS                                 .
   ADJUSTMENTS                                 .
GROSS COLLATERAL                                      6,995,494.
   INELIGIBLE                     03/16        .
   PAST DUE MORE THAN         DAYS03/16        .
NET COLLATERAL                             1          6,995,494.
   DISCOUNT       %                            .
   EQUITY      20 %                   1,399,098.
                 .                                           A/C REC AVAILABILITY 5,596,396.
LOAN ACCOUNT BAL      08/01/71        5,000,000.
   ADVANCES                                    .
   NET COLLECTIONS                             .
   ADJ             .     FC          .         .
                                                             CURRENT LOAN BALANCE 5,000,000.

                                                             AVAIL ON RECEIVABLES    596,396.

OTHER COLLATERAL         .
                                    % AVAILAB

                                                             TOTAL AVAILABILITY      596,396.


                                                  ADDITIONAL ITEMS NOT INCLUDED ABOVE
 *****************************************************************************************
  AMOUNT REQUESTED $                         *SALES        *         *          *          *
                                             *             ***********          *          *
  APPROVED A/C EXEC                          *CRED         *         *          *          *
                                             *             ***********          *          *
  V.P.                                       *NET SALES    *         *          *          *
                                             *             ***********          *          *
                                             *             *         *          *          *
                                             *PAST DUE     *         *          *          *
  *******************************************              *         *          *          *
  TOTAL A/C PROCESSED                        *INELIGIBLE   *         *          *          *
                                             *             ***********          *          *
                                             *TOTAL NET    *         *          *          *
 ********************************************              *         *          *          *
  MISSING RECEIPTS                           *LESS RESERVE *         *          *          *
 ********************************************              **********************          *
  FIGURED / CHECKED                          *CASH         *                    *          *
 ********************************************              **********************          *
  CHECK ISSUED                               *                                  *          *
 ********************************************                                   ************

                                   TOTAL AVAIL FOR ADVANCE ______   ___ ************
```

A 2985

```
 08/25/71             663    DE LUXE TOPPER *OVERFLOW                                          GROUP 3        / /

 ACCTS REC COLL BAL    08/01/71        6,000,000.
 .  SALES          .    . CRED       .          .
    IN PROCESS                                  .
    COLLECTIONS                                 .
    ADJUSTMENTS                                 .
 GROSS COLLATERAL                                   6,000,000.
    INELIGIBLE                 01/31            .
    PAST DUE MORE THAN       DAYS06/10          .
 NET COLLATERAL                            $        6,000,000.
    DISCOUNT          %                         .
    EQUITY      20 %                 1,200,000.
                      .                                  A/C REC AVAILABILITY 4,800,000.
 LOAN ACCOUNT BAL     08/01/71.                 .
    ADVANCES                                    .
    NET COLLECTIONS                             .
    ADJ            .    EC           .          .
                                                         CURRENT LOAN BALANCE            .

                                                         AVAIL ON RECEIVABLES 4,800,000.

 OTHER COLLATERAL               .                                                        .
                                     % AVAILAB

                                                         TOTAL AVAILABILITY   4,800,000.

                                              ADDITIONAL ITEMS NOT INCLUDED ABOVE
    ******************************************************************************************
    AMOUNT REQUESTED  $                     *SALES         *          *         *          *
                                            *              ***********          *          *
    APPROVED  A/C EXEC                      *CRED          *          *         *          *
                                            *              ***********          *          *
    V.P.                                    *NET SALES     *          *         *          *
                                            *              ***********          *          *
                                            *              *          *         *          *
                                            *PAST DUE      *          *         *          *
    *****************************************              *          *         *          *
    ADDTL REC PROTECTED                     *INELIGIBLE    *          *         *          *
                                            *              ***********          *          *
                                            *TOTAL NET     *          *         *          *
    *****************************************              *          *         *          *
    MISSING RECEIPTS                        *LESS RESERVE  *          *         *          *
    *****************************************              ********************          *
    FIGURED / CHECKED                       *CASH         %*                    *          *
    *****************************************              ********************          *
    CHECK ISSUED                            *                                   *          *
    *****************************************                                   ************

                                             TOTAL AVAIL FOR ADVANCE                ************
```

A 2986

```
08/25/71          666    UNSHIPPED RIGHTS OF LUKE,TOPPER CORP                 / /

ACCOUNTS REC COLL BAL    08/01/71 61 /2,133,440.
 V  SALES    33,845./CRED   2,196./    31,649.
    IN PROCESS                               .
    COLLECTIONS                              .
    ADJUSTMENTS                        16,784.
GROSS COLLATERAL                                    2,181,873.
    INELIGIBLE                  08/19        .
    PAST DUE MORE THAN      DAYS07/31        .
NET COLLATERAL                                      2,181,873.
    DISCOUNT         %                 1     .
    EQUITY       50  %              1,090,936.
                                                         A/C REC AVAILABILITY 1,090,937.
LOAN ACCOUNT BAL      08/01/71               .
    ADVANCES                                 .
    NET COLLECTIONS                          .
    ADJ             .    FC          .       .
                                                         CURRENT LOAN BALANCE          .

                                                         AVAIL ON RECEIVABLES 1,090,937.

OTHER COLLATERAL               .
                                  % AVAILAB                                            .

                                                         TOTAL AVAILABILITY   1,090,937.

                                              ADDITIONAL ITEMS NOT INCLUDED ABOVE
```

AMOUNT REQUESTED $	SALES		
APPROVED A/C EXEC	CRED		
V.P.	NET SALES		
	PAST DUE		
AUDIT REC PRAISED	INELIGIBLE		
	TOTAL NET		
MISSING SCRIPTS	LESS RESERVE		
FIGURED / CHECKED	CASH	%	
CHECK ISSUED			

TOTAL AVAIL FOR ADVANCE ______ x

A 2987

08/26/71

TOPPER 667

ACCTS REC COLL BAL 08/01/71 30403108.
SALES . CRED . 4337409.
IN PROCESS. 88454.
COLLECTIONS 3557693.
ADJUSTMENTS 88181.
GROSS COLLATERAL 31154551.
INELIGIBLE 08/06 4427708.
PAST DUE MORE THAN DAYS 06/30 9530812.
NET COLLATERAL 17190031.
DISCOUNT %
EQUITY 20% 3438006.

A/C REC AVAILABILITY 13762025.

LOAN ACCOUNT BAL 08/01/71 ~~350 000 CR~~
ADVANCES .
NET COLLECTIONS .
ADJ . FC . .

CURRENT LOAN BALANCE 19744337
AVAIL ON RECEIVABLES 5952312

OTHER COLLATERAL . % AVAILAB

TOTAL AVAILABILITY ~~350,000.~~ 5482312

ADDITIONAL ITEMS NOT INCLUDED ABOVE

AMOUNT REQUESTED $
APPROVED A/C EXEC
V.P.
ACCTS REC PREMISED
MISSING RECEIPTS
FIGURED / CHECKED
CHECK ISSUED

SALES		
CRED		
NET SALES		
PAST DUE		
INELIGIBLE	666	1040937
TOTAL NET		
LESS RESERVE		
CASH $		

4591375
TOTAL AVAIL FOR ADVANCE

4591375
C.A. 468,315

A 2388

P. EXH 621 10/24/74

```
 08/26/71           657           TOPPER CORPORATION                    L77.70   GROUP  ?        03/31/72

ACCTS REC COLL BAL    08/01/71 552  9,004,127.
1229 SALES 4,522,849./CRED 182,940./ 4,339,909.
   IN PROCESS                          88,954.- /
1229 COLLECTIONS                    3,587,693./
   ADJUSTMENTS                         88,181.
GROSS COLLATERAL                                    244,430.-
   INELIGIBLE               08/244,237,552.
   PAST DUE MORE THAN 060 DAYS08/19        .
NET COLLATERAL                                    4,481,982.-
   DISCOUNT      %                      !   .
   EQUITY     20 %                    896,396.
                                                       A/C REC AVAILABILITY 5,378,378.-
LOAN ACCOUNT BAL      08/01/71      5,059,324.
   ADVANCES                         4,172,800.
   NET COLLECTIONS                  3,487,787.
   ADJ          .     FC                    .
                                                       CURRENT LOAN BALANCE 5,744,337.

                                                       OVERDRAFT               11,122,715.-DEB
OTHER COLLATERAL 6,426,988.
                         000 % AVAILAB                 OTHER COLLATERAL          .

                                                       OVERDRAFT               11,122,715.-DEB

                                        ADDITIONAL ITEMS NOT INCLUDED ABOVE
*****************************************************************************************************
  AMOUNT REQUESTED  $                 *SALES         *          *          *              *
                                      *              ************          *              *
  APPROVED  A/C EXEC                  *CRED'         *          *          *              *
                                      *              ************          *              *
  V.P.                                *NET SALES     *          *          *              *
                                      *              ************          *              *
                                      *              *          *          *              *
                                      *PAST DUE      *          *          *              *
***************************************              *          *          *              *
  ADDTL REC PROMISED                  *INELIGIBLE    *          *          *              *
                                      *              ************          *              *
                                      *TOTAL NET    _*          *          *              *
***************************************              *          *          *              *
  MISSING RECEIPTS                    *LESS RESERVE*            *          *              *
***************************************              ***********************              *
  FIGURED / CHECKED                   *CASH         %*                     *              *
***************************************              ***********************              *
  CHECK ISSUED                        *                                    *              *
***************************************                                    ****************

- - ------------------------------------- TOTAL AVAIL FOR ADVANCE ___ ___ ****************------------
```

A 2989

```
 08/26/71              665    DELUXE TOPPER 667 OVEL                                        GROUP  *        / /

 ACCTS REC COLL BAL     09/01/71        8,403,547.
  . SALES           .  . CRED                   .
     IN PROCESS                                 .
     COLLECTIONS                                .
     ADJUSTMENTS                                .
 GROSS COLLATERAL                                     8,403,547.
     INELIGIBLE               08/19             .
     PAST DUE MORE THAN       DAYS07/319,536,812.
 NET COLLATERAL                          1            1,133,265.-
     DISCOUNT         *                         .
     EQUITY        20 %                  226,653.
                      .                                   A/C REC AVAILABILITY 1,359,918.-
 LOAN ACCOUNT BAL       09/01/71        9,000,000.
     ADVANCES                                   .
     NET COLLECTIONS                            .
     ADJ            .    EC                     .
                                                           CURRENT LOAN BALANCE 9,000,000.

                                                           OVERDRAFT            10,359,918.-OER
 OTHER COLLATERAL
                                   % AVAILAB

                                                           OVERDRAFT            10,359,918.-OER

                                              ADDITIONAL ITEMS NOT INCLUDED ABOVE
 ***********************************************************************************************
   AMOUNT REQUESTED  $                 *SALES       *         *         *          *
                                       *            ***********         *          *
   APPROVED  A/C EXEC                  *CRED        *         *         *          *
                                       *            ***********         *          *
   V.P.                                *NET SALES   *         *         *          *
                                       *            ***********         *          *
                                       *            *         *         *          *
                                       *PAST DUE    *         *         *          *
 ***************************************            *         *         *          *
   ADDTL REC PROMISED                  *INELIGIBLE  *         *         *          *
                                       *            ***********         *          *
                                       *TOTAL NET   *         *         *          *
 ***************************************            *         *         *          *
   MISSING RECEIPTS                    *LESS RESERVE*         *         *          *
 ***************************************            *********************          *
   FIGURED / CHECKED                   *CASH       $*                   *          *
 ***************************************            *********************          *
   CHECK ISSUED                        *                                *          *
 ***************************************                                ************

                                  TOTAL AVAIL FOR ADVANCE               ************
```

A 2390

```
 08/26/71            664    OVERFLOW ON ACCT. 667                                   GROUP  %          /  /

 ACCTS REC COLL BAL    08/01/71         6,995,494.
    SALES                   CRED                   .
    IN PROCESS                                     .
    COLLECTIONS                                    .
    ADJUSTMENTS                                    .
 GROSS COLLATERAL                                  .     6,995,494.
    INELIGIBLE                     03/16           .
    PAST DUE MORE THAN       DAYS03/16             .
 NET COLLATERAL                                          6,995,494.
    DISCOUNT       %                               .
    EQUITY     20  %                    1,399,098.
                                                               A/C REC AVAILABILITY 5,596,396.
 LOAN ACCOUNT BAL      08/01/71         5,000,000.
    ADVANCES                                       .
    NET COLLECTIONS                                .
    ADJ                 FC                         .
                                                               CURRENT LOAN BALANCE 5,000,000.

                                                               AVAIL ON RECEIVABLES    596,396.
 OTHER COLLATERAL
                                     % AVAILAB

                                                               TOTAL AVAILABILITY      596,396.

                                                   ADDITIONAL ITEMS NOT INCLUDED ABOVE
 **************************************************************************************************
   AMOUNT REQUESTED  $                       *SALES        *          *         *             *
                                             *             ************         *             *
   APPROVED  A/C EXEC                        *CRED         *          *         *             *
                                             *             ************         *             *
   V.P.                                      *NET SALES    *          *         *             *
                                             *             ************         *             *
                                             *             *          *         *             *
                                             *PAST DUE     *          *         *             *
 *********************************************             *          *         *             *
   ADDIL REC PROMISED                        *INELIGIBLE   *          *         *             *
                                             *             ************         *             *
                                             *TOTAL NET    *          *         *             *
 *********************************************             *          *         *             *
   MISSING RECEIPTS                          *LESS RESERVE *          *         *             *
 *********************************************             **********************             *
   FIGURED / CHECKED                         *CASH        $*                    *             *
 *********************************************             **********************             *
   CHECK ISSUED                              *                                  *             *
 *********************************************                                  ***************

                                               TOTAL AVAIL FOR ADVANCE_____     ***************
```

A 2991

```
 08/26/71            663    DE LUXE TOPPER *OVERFLOW                                          GROUP  *          /  /

ACCTS. REC COLL BAL     08/01/71       6,000,000.
   SALES            .  CRED            .           .
   IN PROCESS                                      .
   COLLECTIONS                                     .
   ADJUSTMENTS                                     .
GROSS COLLATERAL                                        6,000,000.
   INELIGIBLE                    01/31             .
   PAST DUE MORE THAN        DAYS06/10             .
NET COLLATERAL                         .       1        6,000,000.
   DISCOUNT          %                             .
   EQUITY       20 %                   1,200,000.
                                                                A/C REC AVAILABILITY 4,800,000.
LOAN ACCOUNT BAL       08/01/71                    .
   ADVANCES                                        .
   NET COLLECTIONS                                 .
   ADJ            .    FC             .            .
                                                                CURRENT LOAN BALANCE           .

                                                                AVAIL ON RECEIVABLES 4,800,000.
OTHER COLLATERAL                .
                                       % AVAILAB
                                                                                               .
                                                                TOTAL AVAILABILITY   4,800,000.

                                                       ADDITIONAL ITEMS NOT INCLUDED ABOVE
*******************************************************************************************************
  AMOUNT REQUESTED  $                         *SALES         *          *          *             *
                                              *              ************          *             *
  APPROVED  A/C EXEC                          *CRED          *          *          *             *
                                              *              ************          *             *
  V.P.                                        *NET SALES     *          *          *             *
                                              *              ************          *             *
                                              *              *          *          *             *
                                              *PAST DUE      *          *          *             *
**********************************************               *          *          *             *
  ADDTL REC PROMISED                          *INELIGIBLE    *          *          *             *
                                              *              ************          *             *
                                              *TOTAL NET     *          *          *             *
**********************************************               *          *          *             *
  MISSING RECEIPTS                            *LESS RESERVE  *          *          *             *
**********************************************               ***********************             *
  FIGURED / CHECKED                           *CASH         $*                     *             *
**********************************************               ***********************             *
                                              *                                    *             *
**********************************************                                     ***************

                                           TOTAL AVAIL FOR ADVANCE                 ***************
```

A 2992

```
08/26/71            666    UNSHIPPED RIGHTS DE LUXE,TOPPER CORP                                    / /

ACCTS REC COLL BAL  / 08/01/71 ✓/  / 2,133,440.
BY SALES -   33,965./CRED    2,106./    31,649.
   IN PROCESS.                                .
   COLLECTIONS                                .
   ADJUSTMENTS                          16,784.
GROSS COLLATERAL                                      2,181,873.
   INELIGIBLE                    08/19        .
   PAST DUE MORE THAN          DAYS07/31      .
NET COLLATERAL                            !           2,181,873.
   DISCOUNT          %                        .
   EQUITY         50 %                1,090,936.
                                                               A/C REC AVAILABILITY 1,090,937.
LOAN ACCOUNT BAL        08/01/71              .
   ADVANCES                                   .
   NET COLLECTIONS                            .
   ADJ            .     FC                    .
                                                               CURRENT LOAN BALANCE          .

                                                               AVAIL ON RECEIVABLES 1,090,937.

OTHER COLLATERAL           .
                                   % AVAILAB                                                 .

                                                               TOTAL AVAILABILITY.  1,090,937.

                                                    ADDITIONAL ITEMS NOT INCLUDED ABOVE
***************************************************************************************************
  AMOUNT REQUESTED  $                     *SALES          *         *           *           *
                                          *               ***********           *           *
  APPROVED  A/C EXEC                      *CRED           *         *           *           *
                                          *               ***********           *           *
  V.P.                                    *NET SALES      *         *           *           *
                                          *               ***********           *           *
                                          *               *         *           *           *
                                          *PAST DUE       *         *           *           *
******************************************                *         *           *           *
  ADDTL REC PROMISED                      *INELIGIBLE     *         *           *           *
                                          *               ***********           *           *
                                          *TOTAL NET      *         *           *           *
******************************************                *         *           *           *
  MISSING RECEIPTS                        *LESS RESERVE   *         *           *           *
******************************************                ***********************           *
  FIGURED / CHECKED                       *CASH          $*                     *           *
******************************************                ***********************           *
  CHECK ISSUED                            *                                     *           *
******************************************                                      *************

                                          TOTAL AVAIL FOR ADVANCE               *************
```

A 2993

08/27/71 ~~[illegible]~~ 667 TOPFER

ACCTS REC COLL BAL 08/01/71 30403 108
SALES CRED 4250.956
IN PROCESS
COLLECTIONS 3527.673
ADJUSTMENTS 28 181 3454.552
GROSS COLLATERAL 06/24 4427.868
INELIGIBLE
PAST DUE MORE THAN 060 DAYS 06/24 4546.216 17,188.876
NET COLLATERAL
DISCOUNT
EQUITY 20 % 3,437.774 A/C REC AVAILABILITY 13,751.098

LOAN ACCOUNT BAL 08/01/71
ADVANCES
NET COLLECTIONS
ADJ FC CURRENT LOAN BALANCE 19,894.337

AVAIL ON RECEIVABLES 6,143.239

OTHER COLLATERAL % AVAILAB

TOTAL AVAILABILITY 6143.239

CA. 4735 M
F

ADDITIONAL ITEMS NOT INCLUDED ABOVE

AMOUNT REQUESTED $
APPROVED A/C EXEC 750000
V.P.

ADDTL REC PROMISED
8 1 M 340

MISSING RECEIPTS
FIGURED / CHECKED
CHECK ISSUED 08 20 8/13

SALES				270
CRED				270
NET SALES				375
PAST DUE		666	1090.437	5052
INELIGIBLE				375
TOTAL NET				4677
LESS RESERVE				750
CASH $				3977
			5052.302	192

216
36
375
380
8
192

TOTAL AVAIL FOR ADVANCE

P. EXH. 622 10/24/74 C.B.

```
   08/27/71            647           TOPPER CORPORATION                 L77.70   GROUP  3      03/31/72
                                        1230
253ACCTS REC COLL BAL   08/01/71  8/2 9,004,127.
1227 SALES 4,524,017. CRED 273,061.   4,250,956.
      IN PROCESS                               .
1274 COLLECTIONS                      3,587,693.
      ADJUSTMENTS                        88,181.
   GROSS COLLATERAL                                     244,429.-
      INELIGIBLE                   08/264,427,708.
      PAST DUE MORE THAN 060 DAYS08/19         .
   NET COLLATERAL                              1      4,672,137.-
      DISCOUNT        %                        .
      EQUITY      20.%                  934,427.
                                                          A/C REC AVAILABILITY 5,606,564.-
   LOAN ACCOUNT BAL     08/01/71      5,059,324.
      ADVANCES                        4,322,800.
      NET COLLECTIONS                 3,487,787.
      ADJ             .    FC     .            .
                                                          CURRENT LOAN BALANCE 5,894,337.

                                                          OVERDRAFT             11,500,901.-DEB

   OTHER COLLATERAL 7,072,494.
                              000 % AVAILAB             . OTHER COLLATERAL

                                                          OVERDRAFT             11,500,901.-DEB

                                            ADDITIONAL ITEMS NOT INCLUDED ABOVE
 ***************************************************************************************************
   AMOUNT REQUESTED  $                     *SALES       *          *          *              *
                                           *            ************          *              *
   APPROVED  A/C EXEC                      *CRED        *          *          *              *
                                           *            ************          *              *
   V.P.                                    *NET SALES   *          *          *              *
                                           *            ************          *              *
                                           *            *          *          *              *
                                           *PAST DUE    *          *          *              *
 ******************************************             *          *          *              *
   ADDTL REC PROMISED                      *INELIGIBLE  *          *          *              *
                                           *            ************          *              *
                                           *TOTAL NET   *          *          *              *
 ******************************************             *          *          *              *
   MISSING RECEIPTS                        *LESS RESERVE*          *          *              *
 ******************************************             ***********************              *
   FIGURED / CHECKED                       *CASH       %*                     *              *
 ******************************************             ***********************              *
   CHECK ISSUED                            *                                  *              *
 ******************************************                                   ****************

                                           TOTAL AVAIL FOR ADVANCE            ****************
```

A 2995

```
                                                                        GROUP          /  /

   ACCTS REC COLL BAL     08/01/71         8,403,547.
    . SALES          .  . CRED          .           .
       IN PROCESS                                   .
       COLLECTIONS                                  .
       ADJUSTMENTS                                  .
   GROSS COLLATERAL                                      8,403,547.
       INELIGIBLE                    08/19          .
       PAST DUE MORE THAN       DAYS08/199,536,812.
   NET COLLATERAL                              1         1,133,265.-
       DISCOUNT            %                        .
       EQUITY          20  %                 226,653.
                            .                                   A/C REC AVAILABILIT  1,359,918.-
   LOAN ACCOUNT BAL       09/01/71         9,000,000.      .
       ADVANCES                                     .
       NET COLLECTIONS .                            .
       ADJ             .    FC          .           .

                                                                CURRENT LOAN BALANCE 9,000,000.

                                                                OVERDRAFT          10,359,918.-DEB
   OTHER COLLATERAL:             .
 .                                   %.AVAILAB

                                                                OVERDRAFT          10,359,918.-DEB

                                                   ADDITIONAL ITEMS NOT INCLUDED ABOVE
  ***********************************************************************************************
    AMOUNT REQUESTED  $                        *SALES        *         *          *          *
                                               *             ***********          *          *
    APPROVED  A/C EXEC                         *CRED         *         *          *          *
                                               *             ***********          *          *
    V.P.                                       *NET SALES    *         *          *          *
                                               *             ***********          *          *
                                               *             *         *          *          *
                                               *PAST DUE     *         *          *          *
 **********************************************              *         *          *          *
    ADDTL REC PROMISED                         *INELIGIBLE   *         *          *          *
                                               *             ***********          *          *
                                               *TOTAL NET    *         *          *          *
 **********************************************              *         *          *          *
    MISSING RECEIPTS                           *LESS RESERVE*          *          *          *
 **********************************************              ********************           *
    FIGURED / CHECKED                          *CASH        $*                    *          *
 **********************************************              ********************           *
    CHECK ISSUED                               *                                  *          *
 **********************************************                                   ************

                                                TOTAL AVAIL FOR ADVANCE           ************
```

A 2296

```
09/27/71            664    OVERFLOW ON ACCT. 657

ACCTS REC COLL BAL    09/01/71       6,995,494.
   SALES            . CRED        .           .
    IN PROCESS                                .
    COLLECTIONS                               .
    ADJUSTMENTS                               .
GROSS COLLATERAL                                   6,995,494.
    INELIGIBLE                   03/16        .
    PAST DUE MORE THAN       DAYS03/16        .
NET COLLATERAL                         f           6,995,494.
    DISCOUNT          %                       .
    EQUITY      20 %                 1,399,098.
                                                          A/C REC AVAILABILITY 5,596,396.
LOAN ACCOUNT BAL     08/01/71        5,000,000.
    ADVANCES                                  .
    NET COLLECTIONS                           .
    ADJ           .   FC         .            .
                                                          CURRENT LOAN BALANCE 5,000,000.

                                                          AVAIL ON RECEIVABLES    596,396.

OTHER COLLATERAL           .
                              % AVAILAB

                                                          TOTAL AVAILABILITY      596,396.

                                      ADDITIONAL ITEMS NOT INCLUDED ABOVE

                                      TOTAL AVAIL FOR ADVANCE
```

A 2897

```
08/27/71            643    DE LUXE TOPPER *OVERFLOW                                GROUP  3          /  /

 ACCTS REC COLL BAL    08/01/71        6,000,000.
     SALES               . CRED          .          .
     IN PROCESS                                     .
     COLLECTIONS                                    .
     ADJUSTMENTS                                    .
 GROSS COLLATERAL                                         6,000,000.
     INELIGIBLE                        01/31        .
     PAST DUE MORE THAN           DAYS06/10         .
 NET COLLATERAL                                           6,000,000.
     DISCOUNT         %                   $         .
     EQUITY        20 %                1,200,000.
                                                                A/C REC AVAILABILITY 4,800,000.
 LOAN ACCOUNT BAL      08/01/71                     .
     ADVANCES                                       .
     NET COLLECTIONS                                .
     ADJ                 .   FC          .          .
                                                                CURRENT LOAN BALANCE          .

                                                                AVAIL ON RECEIVABLES 4,800,000.

 OTHER COLLATERAL              .
                                         % AVAILAB                                            .

                                                                TOTAL AVAILABILITY   4,800,000.

                                                 ADDITIONAL ITEMS NOT INCLUDED ABOVE
*****************************************************************************************************
 AMOUNT REQUESTED  $                       *SALES          *          *          *          *
                                           *               ************          *          *
 APPROVED  A/C EXEC                        *CRED  $        *          *          *          *
                                           *               ************          *          *
 V.P.                                      *NET SALES      *          *          *          *
                                           *               ************          *          *
                                           *               *          *          *          *
                                           *PAST DUE       *          *          *          *
********************************************               *          *          *          *
 ADDTL REC PROMISED                        *INELIGIBLE     *          *          *          *
                                           *               ************          *          *
                                           *TOTAL NET      *          *          *          *
********************************************               *          *          *          *
 MISSING RECEIPTS                          *LESS RESERVE*  *          *          *          *
********************************************               ***********************          *
 FIGURED / CHECKED                         *CASH         %*                      *          *
********************************************               ***********************          *
 CHECK ISSUED                              *                                     *          *
********************************************                                     ************

                                            TOTAL AVAIL FOR ADVANCE____________  ************
```

A 2398

```
K  08/27/71          656    UNSHIPPED RIGHTS DE LUXE,TOPPER CORP                            / /

  ACCTS REC COLL BAL  /08/01/71 61  2,133,440.
64   SALES    33,845./CRED    2,196./   31,649.
     IN PROCESS                              .
     COLLECTIONS                             .  /
     ADJUSTMENTS                       16,784.
  GROSS COLLATERAL                               2,181,873.
     INELIGIBLE                  08/19       .
     PAST DUE MORE THAN      DAYS08/19       .
  NET COLLATERAL                                 2,181,873.
     DISCOUNT        %                       .
     EQUITY      50 %               1,090,936.
                                                      A/C REC AVAILABILITY 1,090,937.
  LOAN ACCOUNT BAL      08/01/71             .
     ADVANCES                                .
     NET COLLECTIONS                         .
     ADJ            .    FC        .         .
                                                      CURRENT LOAN BALANCE          .

                                                      AVAIL ON RECEIVABLES 1,090,937.

  OTHER COLLATERAL            .
                                   % AVAILAB


                                                      TOTAL AVAILABILITY   1,090,937.

                                            ADDITIONAL ITEMS NOT INCLUDED ABOVE
 *******************************************************************************************
  AMOUNT REQUESTED  $                   *SALES      *         *         *            *
                                        *           ***********         *            *
  APPROVED  A/C EXEC                    *CRED       *         *         *            *
                                        *           ***********         *            *
  V.P.                                  *NET SALES  *         *         *            *
                                        *           ***********         *            *
                                        *           *         *         *            *
                                        *PAST DUE   *         *         *            *
*****************************************           *         *         *            *
  ADDTL REC PROMISED                    *INELIGIBLE *         *         *            *
                                        *           ***********         *            *
                                        *TOTAL NET  *         *         *            *
*****************************************           *         *         *            *
  MISSING RECEIPTS                      *LESS RESERVE*        *         *            *
*****************************************           *********************            *
  FIGURED / CHECKED                     *CASH      %*                   *            *
*****************************************           *********************            *
  CHECK ISSUED                          *                               *            *
*****************************************                               **************

                                        TOTAL AVAIL FOR ADVANCE  .      **************
```

09/30/71

TOPPER #667

ACCTS.REC COLL BAL 09/01/71 30,403,108.
SALES . CRED 4250.956.
IN PROCESS 692.363
COLLECTIONS 4,241.453
ADJUSTMENTS 682- 31,110.286.
GROSS COLLATERAL
INELIGIBLE 06/24 4427868.
PAST DUE MORE THAN 060 DAYS 06/24 4,716.812. 17,144606.
NET COLLATERAL
DISCOUNT ~~72~~
EQUITY 20% 3,428,921.

A/C REC AVAILABILITY 13,715.685.

LOAN ACCOUNT BAL 08/01/71
ADVANCES
NET COLLECTIONS
ADJ FC

CURRENT LOAN BALANCE 19,514.805.

AVAIL ON RECEIVABLES 5,799.120.

OTHER COLLATERAL % AVAILAB

TOTAL AVAILABILITY 5799.120.

ADDITIONAL ITEMS NOT INCLUDED ABOVE

AMOUNT REQUESTED $

APPROVED A/C EXEC 200,000

V.P.

ADDTL REC PROMISED

MISSING RECEIPTS

FIGURED / CHECKED

CHECK ISSUED AUG 31

SALES		
CRED		
NET SALES		
PAST DUE		
INELIGIBLE	66	1,090.937
TOTAL NET		
LESS RESERVE		
CASH		
TOTAL AVAIL FOR ADVANCE		4708.183

A 3900

P. EXH 623 10/24/74

```
    08/31/71            667               TOPPER CORPORATION                     L77.70   GROUP  3       03/31/72
                                  1230.
1217 ACCTS REC COLL BAL   /08/01/71 352    9,094,127.
 253.  SALES 4,524,017. CRED 273,061.  /4,250,956.
2342   IN PROCESS                2541        498,353.
1276   COLLECTIONS                         4,241,453.  /
       ADJUSTMENTS                               698.-
    GROSS COLLATERAL                                   / 289,695.-
       INELIGIBLE                     08/274,428,868.
       PAST DUE MORE THAN 060 DAYS08/19             .
    NET COLLATERAL                                     4,717,563.-
       DISCOUNT        %                            .
       EQUITY       20 %                     943,512.
                                                             A/C REC AVAILABILITY 5,661,075.-
    LOAN ACCOUNT BAL      08/01/71         5,059,324.
       ADVANCES                            4,572,800.  /
       NET COLLECTIONS                     4,117,319.
       ADJ              .   FC         .            .
                                                             CURRENT LOAN BALANCE 5,514,805.

                                                             OVERDRAFT              11,175,880.-DEB

    OTHER COLLATERAL 6,778,614.
                                   000 % AVAILAB             OTHER COLLATERAL             .

                                                             OVERDRAFT              11,175,880.-DEB

                                                 ADDITIONAL ITEMS NOT INCLUDED ABOVE
   ************************************************************************************************
     AMOUNT REQUESTED  $                    *SALES       *          *        *           *
                                            *            ************        *           *
     APPROVED  A/C EXEC                     *CRED        *          *        *           *
                                            *            ************        *           *
     V.P.                                   *NET SALES   *          *        *           *
                                            *            ************        *           *
                                            *            *          *        *           *
                                            *PAST DUE    *          *        *           *
   **********************************************        *          *        *           *
     ADDTL REC PROMISED                     *INELIGIBLE  *          *        *           *
                                            *            ************        *           *
                                            *TOTAL NET   *          *        *           *
   **********************************************        *          *        *           *
     MISSING RECEIPTS                       *LESS RESERVE*          *        *           *
   **********************************************        *********************           *
     FIGURED / CHECKED                      *CASH       $*                   *           *
   **********************************************        *********************           *
     CHECK ISSUED                           *                                *           *
   **********************************************                            *************

                                            TOTAL AVAIL FOR ADVANCE          *************
```

A 3001

```
                                                                                              GROUP  %        /  /
  08/30/71            665    DELUXE TOPPER 667 OVFL

     ACCTS REC COLL BAL    09/01/71        8,403,547.
      . SALES          .  . CRED          .         .
        IN PROCESS                                  .
        COLLECTIONS                                 .
        ADJUSTMENTS
     GROSS COLLATERAL                                        8,403,547.
        INELIGIBLE                      08/19
        PAST DUE MORE THAN        DAYS09/199,536,812.
     NET COLLATERAL                               1          1,133,265.-
        DISCOUNT        %                           .
        EQUITY     20. %                    226,653.
                                                                  A/C REC AVAILABILITY 1,359,918.-
     LOAN ACCOUNT BAL      08/01/71        9,000,000.
        ADVANCES                                    .
        NET COLLECTIONS                             .
        ADJ              .    FC          .         .
                                                                  CURRENT LOAN BALANCE 9,000,000.

                                                                  OVERDRAFT       .       .      10,359,918.-DEB

     OTHER COLLATERAL            .
                                            % AVAILAB

                                                                  OVERDRAFT                      10,359,918.-DEB

                                                   ADDITIONAL ITEMS NOT INCLUDED ABOVE
   **************************************************************************************************
     AMOUNT REQUESTED  $                      *SALES       *        *        *              *
                                              *            **********        *              *
     APPROVED  A/C EXEC                       *CRED        *        *        *              *
                                              *            **********        *              *
     V.P.                                     *NET SALES   *        *        *              *
                                              *            **********        *              *
                                              *            *        *        *              *
                                              *PAST DUE    *        *        *              *
   *******************************************             *        *        *              *
     ADDTL REC PROMISED                       *INELIGIBLE  *        *        *              *
                                              *            **********        *              *
                                              *TOTAL NET   *        *        *              *
                                              *            *        *        *              *
   *******************************************             *        *        *              *
     MISSING RECEIPTS                         *LESS RESERVE*        *        *              *
   *******************************************             *******************              *
     FIGURED / CHECKED                        *CASH        %*                *              *
   *******************************************             *******************              *
     CHECK ISSUED                             *                              *              *
   *******************************************                               ****************

                                                 TOTAL AVAIL FOR ADVANCE     ****************
```

A 3002

```
   08/30/71              664    OVERFLOW ON ACCT. 567

ACCTS REC COLL BAL    08/01/71        6,995,494.
 . SALES          .  . CRED        .            .
    IN PROCESS                                  .
    COLLECTIONS                                 .
    ADJUSTMENTS                                 .
GROSS COLLATERAL                                      6,995,494.
    INELIGIBLE                    03/16         .
    PAST DUE MORE THAN        DAYS03/16         .
NET COLLATERAL                                        6,995,494.
    DISCOUNT        %                  $        .
    EQUITY       20 %                 1,399,098.
                                                          A/C REC AVAILABILITY 5,596,396.
LOAN ACCOUNT BAL     08/01/71         5,000,000.
    ADVANCES                                    .
    NET COLLECTIONS                             .
    ADJ              .     FC      .            .
                                                          CURRENT LOAN BALANCE 5,000,000.

                                                          AVAIL ON RECEIVABLES    596,396.

OTHER COLLATERAL          .
                                  % AVAILAB

                                                          TOTAL AVAILABILITY      596,396.

                                             ADDITIONAL ITEMS NOT INCLUDED ABOVE
****************************************************************************************
  AMOUNT REQUESTED  $                   *SALES         *         *          *          *
                                        *              ***********          *          *
  APPROVED  A/C EXEC                    *CRED          *         *          *          *
                                        *              ***********          *          *
  V.P.                                  *NET SALES     *         *          *          *
                                        *              ***********          *          *
                                        *              *         *          *          *
                                        *PAST DUE      *         *          *          *
*****************************************              *         *          *          *
  ADDTL REC PROMISED                    *INELIGIBLE    *         *          *          *
                                        *              ***********          *          *
                                        *TOTAL NET     *         *          *          *
*****************************************              *         *          *          *
  MISSING RECEIPTS                      *LESS RESERVE* *         *          *          *
*****************************************              **********************          *
  FIGURED / CHECKED                     *CASH          $*                   *          *
*****************************************              **********************          *
  CHECK ISSUED                          *                                   *          *
*****************************************                                   ************

                                         TOTAL AVAIL FOR ADVANCE            ************
```

A 3003

```
                                                                                  GROUP  %          /   /
 08/30/71              663    DE LUXE TOPPER *OVERFLOW

 ACCTS.REC COLL BAL    08/01/71        6,000,000.
 .  SALES          .   . CRED         .           .
      IN PROCESS                                  .
      COLLECTIONS                                 .
      ADJUSTMENTS                                 .
 GROSS COLLATERAL                                        6,000,000.
      INELIGIBLE                         01/31    .
      PAST DUE MORE THAN         DAYS06/10        .      6,000,000.
 NET COLLATERAL                               f
      DISCOUNT         %                          .
      EQUITY       20  %               1,200,000.          A/C REC AVAILABILITY 4,800,000.

 LOAN ACCOUNT BAL      08/01/71                  . .
      ADVANCES                                    .
      NET COLLECTIONS                             .
      ADJ           .    FC           .           .        CURRENT LOAN BALANCE          .

                                                           AVAIL ON RECEIVABLES 4,800,000.

 OTHER COLLATERAL               .        % AVAILAB

                                                           TOTAL AVAILABILITY   4,800,000.

                                              ADDITIONAL ITEMS NOT INCLUDED ABOVE
                                          ******************************************
 ****************************************************************************************
   AMOUNT REQUESTED  $                    *SALES        *          *         *          *
                                          *             ************         *          *
   APPROVED  A/C EXEC                     *CRED         *          *         *          *
                                          *             ************         *          *
   V.P.                                   *NET SALES    *          *         *          *
                                          *             ************         *          *
                                          *             *          *         *          *
                                          *PAST DUE     *          *         *          *
 ******************************************             *          *         *          *
   ADDTL REC PROMISED                     *INELIGIBLE   *          *         *          *
                                          *             ************         *          *
                                          *TOTAL NET    *          *         *          *
 ******************************************             *          *         *          *
   MISSING RECEIPTS                       *LESS RESERVE*                     *          *
 ******************************************             **********************          *
   FIGURED / CHECKED                      *CASH        %*                    *          *
 ******************************************             **********************          *
   CHECK ISSUED                           *                                  *          *
 ******************************************                                  ************

                                           TOTAL AVAIL FOR ADVANCE           ************
```

A 3004

```
X 08/30/71                666    UNSHIPPED RIGHTS DE LUXE,TOPPER CORP

    ACCTS REC COLL BAL      09/01/71     61  2,133,440.
64. SALES      33,945  CRED   2,196.          31,649.
        IN PROCESS                                  .
        COLLECTIONS                                 .
        ADJUSTMENTS                           16,794.
    GROSS COLLATERAL                                       2,181,873.
        INELIGIBLE                    08/19         .
        PAST DUE MORE THAN        DAYS08/19         .
    NET COLLATERAL                                         2,181,873.
        DISCOUNT       . %                          .
        EQUITY      50 %                   1,090,936.          A/C REC AVAILABILITY 1,090,937.

    LOAN ACCOUNT BAL        08/01/71                .
        ADVANCES                                    .
        NET COLLECTIONS                             .
        ADJ          .     FC                       .          CURRENT LOAN BALANCE          .

                                                               AVAIL ON RECEIVABLES 1,090,937.

    OTHER COLLATERAL          .
                                       % AVAILAB                                             .

                                                               TOTAL AVAILABILITY   1,090,937.

                                          ADDITIONAL ITEMS NOT INCLUDED ABOVE
   **************************************************************************************************
    AMOUNT REQUESTED  $                  *SALES        *          *         *             *
                                         *             ***********          *             *
    APPROVED  A/C EXEC                   *CRED         *          *         *             *
                                         *             ***********          *             *
    V.P.                                 *NET SALES    *          *         *             *
                                         *             ***********          *             *
                                         *             *          *         *             *
                                         *PAST DUE     *          *         *             *
   ***************************************             *          *         *             *
    ADDTL REC PROMISED                   *INELIGIBLE   *          *         *             *
                                         *             ***********          *             *
                                         *TOTAL NET    *          *         *             *
   ***************************************             *          *         *             *
    MISSING RECEIPTS                     *LESS RESERVE *          *         *             *
   ***************************************             **********************             *
    FIGURED / CHECKED                    *CASH        %*                    *             *
   ***************************************             **********************             *
    CHECK ISSUED                         *                                  *             *
   ***************************************                                  ***************

                                          TOTAL AVAIL FOR ADVANCE           ***************
```

A 3005

TUPPER 667

08/31/71

ACCTS REC COLL BAL 08/01/71 30,405,108.
SALES . CRED . 4944317.
IN PROCESS . 337041
COLLECTIONS 4242019
ADJUSTMENTS 678- 31,396,768
GROSS COLLATERAL 08/27 4430668.
INELIGIBLE
PAST DUE MORE THAN DAYS 07/31 7536312. 17,429,280
NET COLLATERAL
DISCOUNT
EQUITY 20 3485856

A/C REC AVAILABILITY 13,943,424

LOAN ACCOUNT BAL 08/01/71
ADVANCES
NET COLLECTIONS
ADJ . FC

CURRENT LOAN BALANCE 17,664,918.
AVAIL ON RECEIVABLES 5,721,494.

OTHER COLLATERAL % AVAILAB

TOTAL AVAILABILITY 5721444.

OA 4,500,000 initial

ADDITIONAL ITEMS NOT INCLUDED ABOVE

AMOUNT REQUESTED $

APPROVED A/C EXEC

V.P. 211,000 925

ADDTL REC PROMISED

MISSING RECEIPTS

FIGURED / CHECKED

CHECK ISSUED

SALES		
CRED		
NET SALES		
PAST DUE		
INELIGIBLE	666	1090390
TOTAL NET		
LESS RESERVE		
CASH		

TOTAL AVAIL FOR ADVANCE 4631104

128

A 3006

P. EXH 624 10/24/74

```
[illegible]        667          TOPPER CORPORATION                 L77.70   GROUP  3    [illegible]

   ACCTS REC COLL BAL     08/01/71          9,094,127.
   GROSS SALES 5,225,644. CRED 276,326.    4,949,318.
   [illegible] INVOICES                      337,041.
   COLLECTIONS                             4,292,019.
   ADJUSTMENTS                                   688.-
GROSS COLLATERAL                                          2,221.-
   INELIGIBLE                        08/274,428,868.
   PAST DUE MORE THAN 060 DAYS08/19                .
NET COLLATERAL                               $         4,431,099.-
   DISCOUNT         %                              .
   EQUITY        20 %                        896,217.
                                                        A/C REC AVAILABILITY 5,317,306.-
LOAN ACCOUNT BAL      08/01/71             5,059,324.
   ADVANCES                                4,772,890.
   NET COLLECTIONS                         4,167,206.
   ADJ             .     EC      .         .       .  .
                                                        CURRENT LOAN BALANCE 5,664,918.

                                                        OVERDRAFT            10,992,224.-DEB

OTHER COLLATERAL 6,778,614.
                              000 % AVAILAB             OTHER COLLATERAL          .

                                                        OVERDRAFT          , 10,982,224.-DEB


                                        ADDITIONAL ITEMS NOT INCLUDED ABOVE
*************************************************************************************
 AMOUNT REQUESTED  $                   *SALES       *          *        *          *
                                       *            ************        *          *
 APPROVED  A/C EXEC                    *CRED        *          *        *          *
                                       *            ************        *          *
 V.P.                                  *NET SALES   *          *        *          *
                                       *            ************        *          *
                                       *            *          *        *          *
                                       *PAST DUE    *          *        *          *
***************************************             *          *        *          *
 ADDTL REC PROMISED                    *INELIGIBLE  *          *        *          *
                                       *            ************        *          *
                                       *TOTAL NET   *          *        *          *
                                       *            *          *        *          *
***************************************             *          *        *          *
 MISSING RECEIPTS                      *LESS RESERVE*          *        *          *
***************************************             *********************          *
 FIGURED / CHECKED                     *CASH       %*                   *          *
***************************************             *********************          *
 CHECK ISSUED                          *                                *          *
***************************************                                 ************

                                         TOTAL AVAIL FOR ADVANCE        ************
```

VSF

816

1232

1235

1271

A 3007

```
 08/31/71             665    DELUXE TOPPER 667 OVFL                                        GROUP  3

  ACCTS REC COLL BAL    09/01/71        9,403,547.
    SALES                 CRED                    .
    IN PROCESS                                    .
    COLLECTIONS                                   .
    ADJUSTMENTS                                   .
  GROSS COLLATERAL                                    9,403,547.
    INELIGIBLE                        09/19       .
    PAST DUE MORE THAN      DAYS09/199,534,812.
  NET COLLATERAL                                      1,133,265.-
    DISCOUNT                                      .
    EQUITY          20 %                226,653.
                                                          A/C REC AVAILABILITY 1,359,918.-
  LOAN ACCOUNT BAL      09/01/71        9,000,000.
    ADVANCES                                      .
    NET COLLECTIONS                               .
    ADJ                    FC                     .
                                                          CURRENT LOAN BALANCE 9,000,000.

                                                          OVERDRAFT            10,359,918.-DEB

  OTHER COLLATERAL               % AVAILAB

                                                          OVERDRAFT            10,359,918.-DEB

                                              ADDITIONAL ITEMS NOT INCLUDED ABOVE
 *************************************************************************************************
  AMOUNT REQUESTED  $                    *SALES      *          *        *           *
                                         *           ************        *           *
  APPROVED  A/C EXEC                     *CRED       *          *        *           *
                                         *           ************        *           *
  V.P.                                   *NET SALES  *          *        *           *
                                         *           ************        *           *
                                         *           *          *        *           *
                                         *PAST DUE   *          *        *           *
 *****************************************           *          *        *           *
  ADDTL REC PROMISED                     *INELIGIBLE *          *        *           *
                                         *           ************        *           *
                                         *TOTAL NET  *          *        *           *
 *****************************************           *          *        *           *
  [illegible]                            *LESS RESERVE*                  *           *
 *****************************************           *********************           *
  [illegible]                            *CASH       *                   *           *
 *****************************************           *********************           *
  CHECK ISSUED                           *                               *           *
 *****************************************                               *************

                                         TOTAL AVAIL FOR ADVANCE         *************
```

A 3008

```
09/21/71               644    OVERFLOW ON ACCT. 667

ACCTS REC COLL BAL    09/01/71        6,995,494.
   SALES              CRED                     .
   IN PROCESS                                  .
   COLLECTIONS                                 .
   ADJUSTMENTS                                 .
GROSS COLLATERAL                                      6,995,494.
   INELIGIBLE                    03/16         .
   PAST DUE MORE THAN        DAYS03/16         .
NET COLLATERAL                                 .      6,995,494.
   DISCOUNT           %                        .
   EQUITY       20    %               1,399,098.
                                                          A/C REC AVAILABILITY 5,596,396.
LOAN ACCOUNT BAL      09/01/71        5,000,000.
   ADVANCES                                    .
   NET COLLECTIONS                             .
   ADJ                EC                       .
                                                          CURRENT LOAN BALANCE 5,000,000.

                                                          AVAIL ON RECEIVABLES    596,396.

OTHER COLLATERAL                   % AVAILAB

                                                          TOTAL AVAILABILITY      596,396.

                                   ADDITIONAL ITEMS NOT INCLUDED ABOVE
****************************************************************************************
  AMOUNT REQUESTED  $                *SALES          *           *         *           *
                                     *               ************          *           *
  APPROVED  A/C EXEC                 *CRED           *           *         *           *
                                     *               ************          *           *
  V.P.                               *NET SALES      *           *         *           *
                                     *               ************          *           *
                                     *               *           *         *           *
                                     *PAST DUE       *           *         *           *
*************************************                *           *         *           *
  ADDTL REC PROMISED                 *INELIGIBLE     *           *         *           *
                                     *               ************          *           *
                                     *TOTAL NET      *           *         *           *
*************************************                *           *         *           *
  MISSING RECEIPTS                   *LESS RESERVE*  *           *         *           *
*************************************                ***********************           *
  FIGURED / CHECKED                  *CASH          %*                     *           *
*************************************                ***********************           *
  CHECK ISSUED                       *                                     *************
*************************************

                                     TOTAL AVAIL FOR ADVANCE               *************
```

A 3009

```
                                                                                   GROUP
 09/11/71              553    DE LUXE TOPPER OVERFLOW

ACCTS REC COLL BAL   08/01/71        6,000,000.
   SALES                  CRED
   IN PROCESS
   COLLECTIONS
   ADJUSTMENTS                                    6,000,000.
GROSS COLLATERAL                01/31
   INELIGIBLE
   PAST DUE MORE THAN    DAYS06/10                6,000,000.
NET COLLATERAL
   DISCOUNT        %                 1,200,000.
   EQUITY       20 %                                   A/C REC AVAILABILITY 4,800,000.

LOAN ACCOUNT BAL     09/01/71
   ADVANCES
   NET COLLECTIONS
   ADJ               EC                                CURRENT LOAN BALANCE

                                                       AVAIL ON RECEIVABLES 4,800,000.

OTHER COLLATERAL                 % AVAILAB

                                                       TOTAL AVAILABILITY   4,800,000.

                                    ADDITIONAL ITEMS NOT INCLUDED ABOVE
                                 ***********************************************************
*************************************SALES      *          *          *          *
 AMOUNT REQUESTED  $            *           ************          *          *
                                *CRED       *          *          *          *
 APPROVED  A/C EXEC             *           ************          *          *
                                *NET SALES  *          *          *          *
 V.P.                           *           ************          *          *
                                *                                  *          *
                                *PAST DUE   *          *          *          *
********************************            *          *          *          *
                                *INELIGIBLE *          *          *          *
 ADDTL REC PROMISED             *           ************          *          *
                                *TOTAL NET  *          *          *          *
********************************            *          *          *          *
                                *LESS RESERVE*************************    *
 MISSING RECEIPTS               *                                  *          *
********************************CASH       %*************************    *
 FIGURED / CHECKED              *                                  ************
********************************
 CHECK ISSUED                   *
********************************                                   ************

                                 TOTAL AVAIL FOR ADVANCE
```

A 3010

```
08/31/71         555    UNSHIPPED RIGHTS DE LUXE,TOPPER CORP

  ACCTS REC COLL BAL     08/01/71               2,133,440.
   SALES     33,845. CRED    2,196.                31,649.
      IN PROCESS                                    1,094.-
      COLLECTIONS                                        .
      ADJUSTMENTS                                  16,784.
  GROSS COLLATERAL                                          2,180,779.
      INELIGIBLE                  08/19                  .
      PAST DUE MORE THAN       DAYS08/19                 .
  NET COLLATERAL                                            2,180,779.
      DISCOUNT        .
      EQUITY      50 %                          1,090,389.
                                                                  A/C REC AVAILABILITY 1,090,390.
  LOAN ACCOUNT BAL       08/01/71                        .
      ADVANCES                                           .
      NET COLLECTIONS                                    .
      ADJ            .    FC                .            .

                                                                  CURRENT LOAN BALANCE           .

                                                                  AVAIL ON RECEIVABLES 1,090,390.
 OTHER COLLATERAL
                                        % AVAILAB                                                .

                                                                  TOTAL AVAILABILITY   1,090,390.

                                                   ADDITIONAL ITEMS NOT INCLUDED ABOVE
 ************************************************************************************************
   AMOUNT REQUESTED  $                       *SALES          *          *          *           *
                                             *               ************          *           *
   APPROVED  A/C EXEC                        *CRED           *          *          *           *
                                             *               ************          *           *
   V.P.                                      *NET SALES      *          *          *           *
                                             *               ************          *           *
                                             *               *          *          *           *
                                             *PAST DUE       *          *          *           *
 *********************************************               *          *          *           *
   ADDIL REC PROMISES                        *INELIGIBLE     *          *          *           *
                                             *               ************          *           *
                                             *TOTAL NET      *          *          *           *
 *********************************************               *          *          *           *
   MISSING RECEIPTS                          *LESS RESERVE*             *          *           *
 *********************************************               **********************            *
   FIGURED / CHECKED                         *CASH         $*                      *           *
 *********************************************               **********************            *
   CHECK ISSUED                              *                                     *           *
 *********************************************                                     *************

                                              TOTAL AVAIL FOR ADVANCE              *************
```

A 3011

09/02/71

TOPPER 667

ACCTS REC COLL BAL 09/01/71 31,059,771.
SALES . CRED . 336,748.
IN PROCESS 1,416,393.
COLLECTIONS 61,331.
ADJUSTMENTS 32,751,581.
GROSS COLLATERAL
INELIGIBLE 03/04 4775,879.
PAST DUE MORE THAN DAYS03/04 9,036,812. 18,438,926
NET COLLATERAL
DISCOUNT %
EQUITY 20 % 3,637,785

A/C REC AVAILABILITY 14,751,141.

LOAN ACCOUNT BAL 09/01/71
ADVANCES
NET COLLECTIONS
ADJ . FC

CURRENT LOAN BALANCE 20,035,693.

AVAIL ON RECEIVABLES 5,284,554.

OTHER COLLATERAL . AVAILAB

TOTAL AVAILABILITY 5,284,554.

CA 4,550,000

ADDITIONAL ITEMS NOT INCLUDED ABOVE

AMOUNT REQUESTED 350,000

APPROVED A/C EXEC

V.P.

AUDIT REC PROPOSED

RECEIPTS

SALES			
CRED			
NET SALES			
PAST DUE		660	1,045,390
INELIGIBLE			
TOTAL NET			
LESS RESERVE			
CASH			

TOTAL AVAIL FOR ADVANCE 4,144,164

P. EXH 625 10/24/74 CD

A 3012

```
09/02/71          567            TOPPER CORPORATION                    L77.70   GROUP  3        03/31/72

     ACCTS REC COLL BAL     09/01/71   817 6,660,736.
 /1355 SALES    343,147  CRED    6,399.     336,748.
/1371  IN PROCESS                            U16,393.  1,416.393    SB
 /1277 COLLECTIONS                            61,331.
        ADJUSTMENTS                                 .
     GROSS COLLATERAL                                      7,352,546.
        INELIGIBLE                     09/014,482,299.
        PAST DUE MORE THAN 060 DAYS08/19            .
     NET COLLATERAL                                        2,870,247.
        DISCOUNT       %                            .
        EQUITY       20 %                    574,049.
                                                                  A/C REC AVAILABILITY 2,296,198.

     LOAN ACCOUNT BAL     09/01/71         5,742,204.
        ADVANCES                             350,000.
        NET COLLECTIONS                       55,511.
        ADJ         .     .     FC     .            .
                                                                  CURRENT LOAN BALANCE 6,035,693.

                                                                  OVERDRAFT             3,739,495.-DEB

     OTHER COLLATERAL 6,631,290.
                               000 % AVAILAB                      OTHER COLLATERAL              .

                                                                  OVERDRAFT             3,739,495.-DEB


                                                    ADDITIONAL ITEMS NOT INCLUDED ABOVE
*****************************************************************************************************
  AMOUNT REQUESTED   $                  *SALES         *          *        *            *
                                        *              ************        *            *
  APPROVED  A/C EXEC                    *CRED          *          *        *            *
                                        *              ************        *            *
  V.P.                                  *NET SALES     *          *        *            *
                                        *              ************        *            *
                                        *                                  *            *
                                        *PAST DUE      *          *        *            *
*****************************************              *          *        *            *
  AVAIL REC PROMISED                    *INELIGIBLE    *          *        *            *
                                        *              ************        *            *
                                        *TOTAL NET     *          *        *            *
*****************************************              *          *        *            *
  MISSING RECEIPTS                      *LESS RESERVE*            *        *            *
*****************************************              *********************            *
  [illegible] / CHECKED                 *CASH       %*                     *            *
*****************************************              *********************            *
       [illegible]                      *                                  **************
            ******************************

                                          TOTAL AVAIL FOR ADVANCE          **************
```

A 3013

```
                                                                              GROUP  8
  09/[illegible]/71            665   DELUXE TOPPER 667 OVFL

ACCTS REC COLL BAL    09/01/71        8,403,547.
   SALES             . CRED          .          .
   IN PROCESS                                   .
   COLLECTIONS                                  .
   ADJUSTMENTS                       .          .
GROSS COLLATERAL                                     8,403,547.
   INELIGIBLE                       08/19       .
   PAST DUE MORE THAN         DAYS08/199,536,912.
NET COLLATERAL                          1            1,133,265.-
   DISCOUNT                                     .
   EQUITY        20 %                  226,653.       A/C REC AVAILABILITY 1,359,918.-

LOAN ACCOUNT BAL      09/01/71        9,000,000.
   ADVANCES                                     .
   NET COLLECTIONS                              .
   ADJ              .   FC           .          .
                                                      CURRENT LOAN BALANCE 9,000,000.

                                                      OVERDRAFT            10,359,918.-DEB

OTHER COLLATERAL              .    % AVAILAB

                                                      OVERDRAFT            10,359,918.-DEB

                                              ADDITIONAL ITEMS NOT INCLUDED ABOVE
*****************************************************************************************
 AMOUNT REQUESTED  $                 *SALES      *        *       *          *
                                     *           **********       *          *
 APPROVED  A/C EXEC                  *CRED       *        *       *          *
                                     *           **********       *          *
 V.P.                                *NET SALES  *        *       *          *
                                     *           **********       *          *
                                     *           *        *       *          *
                                     *PAST DUE   *        *       *          *
*************************************            *        *       *          *
 ADDTL REC PROMISED                  *INELIGIBLE *        *       *          *
                                     *           **********       *          *
                                     *TOTAL NET  *        *       *          *
*************************************            *        *       *          *
 MISSING RECEIPTS                    *LESS RESERVE*       *       *          *
*************************************            ******************          *
 [illegible]                         *CASH      $*                *          *
*************************************            ******************          *
 [illegible]                         *                            *          *
*************************************                             ************

                                            TOTAL AVAIL FOR ADVANCE          ************
```

A 3014

```
 09/02/71            464    OVERFLOW ON ACCT. 667                                          GROUP  %        / /
   ACCTS REC COLL BAL     09/01/71        6,995,494.
      SALES             . CRED          .            .
      IN PROCESS                                     .
      COLLECTIONS                                    .
      ADJUSTMENTS                         .          .
   GROSS COLLATERAL                                        6,995,494.
      INELIGIBLE                     03/16           .
      PAST DUE MORE THAN          DAYS03/16          .
   NET COLLATERAL                   .                      6,995,494.
      DISCOUNT       %                      %        .
      EQUITY      20 %                1,399,098.
                                                                A/C REC AVAILABILITY 5,596,396.
   LOAN ACCOUNT BAL    09/01/71 .     5,000,000.
      ADVANCES                                       .
      NET COLLECTIONS                                .
      ADJ             .    FC          .             .
                                                                CURRENT LOAN BALANCE 5,000,000.

                                                                AVAIL ON RECEIVABLES    596,396.
   OTHER COLLATERAL                .
                                     % AVAILAB

                                                                TOTAL AVAILABILITY      596,396.

                                                ADDITIONAL ITEMS NOT INCLUDED ABOVE
 ******************************************************************************************
   AMOUNT REQUESTED  $                      *SALES        *          *         *          *
                                            *             ************         *          *
   APPROVED  A/C EXEC                       *CRED         *          *         *          *
                                            *             ************         *          *
   V.P.                                     *NET SALES    *          *         *          *
                                            *             ************         *          *
                                            *             *          *         *          *
                                            *PAST DUE     *          *         *          *
 ********************************************             *          *         *          *
   ACCTS REC APPRAISED                      *INELIGIBLE   *          *         *          *
                                            *             ************         *          *
                                            *TOTAL NET    *          *         *          *
 ********************************************             *          *         *          *
   MISSING RECEIPTS                         *LESS RESERVE*           *         *          *
 ********************************************             **********************          *
   [illegible] / CHECKED                    *CASH       %*                     *          *
 ********************************************             **********************          *
   [illegible]                              *                                  *          *
 ********************************************                                  ************

                                             TOTAL AVAIL FOR ADVANCE           ************
```

A 3015

```
  09/02/71            663    DE LUXE TOPPER *OVERFLOW                                      GROUP  %          /  /

ACCTS REC COLL BAL   09/01/71        9,000,000.
   SALES            . CRED       .             .
   IN PROCESS                                  .
   COLLECTIONS                                 .
   ADJUSTMENTS                   .             .
GROSS COLLATERAL                                     9,000,000.
   INELIGIBLE                 01/31            .
   PAST DUE MORE THAN      DAYS06/10           .
NET COLLATERAL                          .  !         9,000,000.
   DISCOUNT         %                          .
   EQUITY      20 %                  1,800,000.
                    .                                          A/C REC AVAILABILITY 7,200,000.
LOAN ACCOUNT BAL     09/01/71                  .
   ADVANCES                                    .
   NET COLLECTIONS                             .
   ADJ   .       .   FC          .             .
                                                               CURRENT LOAN BALANCE          .

                                                               AVAIL ON RECEIVABLES 7,200,000.
 OTHER COLLATERAL           .
                                  % AVAILAB                                                  .

                                                               TOTAL AVAILABILITY    7,200,000.

                                                  ADDITIONAL ITEMS NOT INCLUDED ABOVE
**************************************************************************************************
 AMOUNT REQUESTED  $                          *SALES      *         *         *          *
                                              *           ***********         *          *
 APPROVED  A/C EXEC                           *CRED       *         *         *          *
                                              *           ***********         *          *
 V.P.                                         *NET SALES  *         *         *          *
                                              *           ***********         *          *
                                              *           *         *         *          *
                                              *PAST DUE   *         *         *          *
**********************************************            *         *         *          *
 ADDTL REC PROMISED                           *INELIGIBLE *         *         *          *
                                              *           ***********         *          *
                                              *TOTAL NET  *         *         *          *
                                              *           *         *         *          *
**********************************************                                *          *
 MISSING RECEIPTS                             *LESS RESERVE*                  *          *
**********************************************            *********************          *
 [illegible] / CHECKED                        *CASH       $*                  *          *
**********************************************            *********************          *
 [illegible]                                  *                               *          *
**********************************************                                ************

                                              TOTAL AVAIL FOR ADVANCE      .  ************
```

A 3016

TOPPER 667

ACCT REC COLL BAL 09/01/71 31059777.

SALES . CRED . ~~6660775.~~ 945145

IN PROCESS 891155.

COLLECTIONS 263660.

ADJUSTMENTS 312. 32635645

GROSS COLLATERAL ~~34350636.~~

INELIGIBLE 07/2347775847.

PAST DUE MORE THAN DAYS07/23%5316512. 18322984

NET COLLATERAL ~~24037715.~~

DISCOUNT %

EQUITY 20% ~~4807995.~~ 36645964

LOAN ACCOUNT BAL 09/01/71 ~~[illegible] CR~~

ADVANCES .

NET COLLECTIONS .

ADJ . FC .

A/C REC AVAILABILITY 14658338 ~~19230380~~

CURRENT LOAN BALANCE 20261713 ~~250,000. CR~~

AVAIL ON RECEIVABLES ~~250,000.~~ ~~10313335~~ 5603325

OTHER COLLATERAL . % AVAILAB

TOTAL AVAILABILITY ~~250,000.~~ ~~10313335~~ 5603325

CU. 4/1/4

[illegible] available to [illegible]

ADDITIONAL ITEMS NOT INCLUDED ABOVE

AMOUNT REQUESTED $

APPROVED A/C EXEC 200,000

V.P.

ADDL REC [illegible] 200

[illegible]

SALES		
CRED		
NET SALES		
PAST DUE		
INELIGIBLE	666	1090390
TOTAL NET		
LESS RESERVE		
CASH		

TOTAL AVAIL FOR ADVANCE ~~596657~~ 4512935

P. EXH 626 10/24/74 29

A 3017

```
[illegible]/71          666    UNSHIPPED RIGHTS DE LUXE,TOPPER CORP

ACCTS REC COLL BAL    09/01/71 65  2,181,873.
   SALES            . CRED   1,094.        1,094.-
   IN PROCESS                                    .
   COLLECTIONS                                   .
   ADJUSTMENTS                   .               .
GROSS COLLATERAL                                      2,180,779.
   INELIGIBLE                  08/19             .
   PAST DUE MORE THAN       DAYS08/19      !     .
NET COLLATERAL                                        2,180,779.
   DISCOUNT         %                            .
   EQUITY      50   %              1,090,389.          A/C REC AVAILABILITY 1,090,390.

LOAN ACCOUNT BAL      09/01/71                   .
 . ADVANCES                                      .
   NET COLLECTIONS                               .
   ADJ          .     FC         .               .     CURRENT LOAN BALANCE          .

                                                       AVAIL ON RECEIVABLES 1,090,390.

 OTHER COLLATERAL          .         % AVAILAB                                       .

                                           . .         TOTAL AVAILABILITY   1,090,390.

                                   ADDITIONAL ITEMS NOT INCLUDED ABOVE
***************************************************************************************
  AMOUNT REQUESTED  $                  *SALES  *   *        *          *
                                       *           *********           *
  APPROVED  A/C EXEC                   *CRED       *        *          *
                                       *           *********           *
  V.P.                                 *NET SALES  *        *          *
                                       *           *********           *
                                       *                    *          *
                                       *PAST DUE   *        *          *
***************************************            *        *          *
  ADDTL REC PROMISED                   *INELIGIBLE *        *          *
                                       *           *********           *
                                       *TOTAL NET  *        *          *
***************************************            *        *          *
  MISSING RECEIPTS                     *LESS RESERVE*       *          *
***************************************    ********************        *
  CLEARED / CHECKED                    *CASH    $                      *
***************************************    ********************        *
  ENTRY ISSUED                         *                               *
***************************************                    ************
                                                           ************
                          TOTAL AVAIL [illegible]
```

A 3018

TOPPER 667

09/01/71

ACCTS REC COLL BAL 09/01/71 31059777.
SALES . CRED . ~~6660779.~~ 945745
IN PROCESS 894155.
COLLECTIONS 263660.
ADJUSTMENTS . 372. 32635645
GROSS COLLATERAL ~~33550636.~~
INELIGIBLE 07/234775849.
PAST DUE MORE THAN DAYS07/2345036812. 18322984
NET COLLATERAL ~~24037715.~~
DISCOUNT . %
EQUITY 20%
~~4504495.~~
36645969

A/C REC AVAILABILITY ~~19230330~~ 14658338

LOAN ACCOUNT BAL 09/01/71 ~~250,000. CR~~
ADVANCES .
NET COLLECTIONS .
ADJ . FC .

CURRENT LOAN BALANCE ~~250,000. CR~~ 20261713

AVAIL ON RECEIVABLES ~~250,000.~~
~~10313353~~
5603325

OTHER COLLATERAL . % AVAILAB

TOTAL AVAILABILITY ~~250,000.~~
~~10313353~~
5603325

Cd. 4/1
exclusive advance to follow

ADDITIONAL ITEMS NOT INCLUDED ABOVE

AMOUNT REQUESTED $
APPROVED A/C EXEC 200,000
V.P.
Gw
ADDTL REC PROMISED
260
MISSING RECEIPTS
[illegible]

SALES			
CRED			
NET SALES			
PAST DUE			
INELIGIBLE		666	1090390
TOTAL NET			
LESS RESERVE			
CASH			

TOTAL AVAIL FOR ADVANCE ~~5903~~ 4512935

A 3019

D. EXH 626 10/24/74 29

```
   03/03/72                 667            TOPPER CORPORATION                        L77.70   GROUP  %          03/31/72

    ACCTS REC COLL BAL   03/01/71 557  6,660,736.
1234 SALES    952,144./CRED   6,399./   945,7-5.
1235 IN PROCESS 555                     894,155./
1236 COLLECTIONS                        263,660./
       ADJUSTMENTS                         372.-
    GROSS COLLATERAL                                8,236,604.
       INELIGIBLE               03/024,775,849.
       PAST DUE MORE THAN 060 DAYS08/19        .
    NET COLLATERAL                         %        3,460,755.
       DISCOUNT         %                      .
       EQUITY      20 %.                692,151.
                                                                A/C REC AVAILABILITY 2,768,604.
    LOAN ACCOUNT BAL    03/01/71      5,819,704.
       ADVANCES                         700,000.
       NET COLLECTIONS                  257,991.
       ADJ              FC                     .
                                                                CURRENT LOAN BALANCE 6,261,713.

                                                                OVERDRAFT               3,493,109.-DEB

    OTHER COLLATERAL 6,631,290.
                                    000 % AVAILAB               OTHER COLLATERAL              .

                                                                OVERDRAFT               3,493,109.-DEB


                                                   ADDITIONAL ITEMS NOT INCLUDED ABOVE
  ***********************************************************************************************
    AMOUNT REQUESTED  $                         *SALES          *         *         *          *
                                                *               ***********         *          *
    APPROVED  A/C EXEC                          *CRED           *         *         *          *
                                                *               ***********         *          *
    V.P.                                        *NET SALES      *         *         *          *
                                                *               ***********         *          *
                                                *               *         *         *          *
                                                *PAST DUE       *         *         *          *
  ***********************************************               *         *         *          *
    ADDTL REC PROMISED                          *INELIGIBLE     *         *         *          *
                                                *               ***********         *          *
                                                *TOTAL NET      *         *         *          *
  ***********************************************               *         *         *          *
    MISSING RECEIPTS                            *LESS RESERVE   *         *         *          *
  ***********************************************               *********************          *
    FIGURED / CHECKED                           *CASH         $ *                   *          *
  ***********************************************               *********************          *
    CHECK ISSUED                                *                                   *          *
  ***********************************************                                   ************

                                                  TOTAL AVAIL $                      [illegible]
```

A 3020

```
   09/01/71          655    DELUXE TOPPER 667 OVFL                                    GROUP  3        /  /

  ACCTS REC COLL BAL    09/01/71       8,403,547.
     SALES              . CRED                   .
     IN PROCESS                                  .
     COLLECTIONS                                 .
     ADJUSTMENTS                                 .
  GROSS COLLATERAL                                    8,403,547.
     INELIGIBLE                  08/19           .
     PAST DUE MORE THAN      DAYS08/199,536,812.
  NET COLLATERAL                                      1,133,265.-
     DISCOUNT           %                        .
     EQUITY         20  %            226,653.
                                                            A/C REC AVAILABILITY 1,359,918.-
  LOAN ACCOUNT BAL      09/01/71       9,000,000.
     ADVANCES                                    .
     NET COLLECTIONS                             .
     ADJ                  EC                     .
                                                            CURRENT LOAN BALANCE 9,000,000.

                                                            OVERDRAFT             10,359,918.-DEB
  OTHER COLLATERAL
                                   % AVAILAB

                                                            OVERDRAFT             10,359,918.-DEB

                                                ADDITIONAL ITEMS NOT INCLUDED ABOVE
 **************************************************************************************************
  AMOUNT REQUESTED $                *SALES        *          *        *               *
                                    *             ************        *               *
  APPROVED  A/C EXEC                *CRED         *          *        *               *
                                    *             ************        *               *
  V.P.                              *NET SALES    *          *        *               *
                                    *             ************        *               *
                                    *             *          *        *               *
                                    *PAST DUE     *          *        *               *
 ************************************             *          *        *               *
  ADDTL REC [illegible]             *INELIGIBLE   *          *        *               *
                                    *             ************        *               *
                                    *TOTAL NET    *          *        *               *
 ************************************             *          *        *               *
  MISSING RECEIPTS                  *LESS RESERVE *          *        *               *
 ************************************             *********************               *
  FILLED / CHECKED                  *CASH        %*                   *               *
 ************************************             *********************               *
  ENTRY [illegible]                 *                                 *               *
 ************************************                                 *****************

                                     TOTAL AVAIL FOR ADVANCE
```

A 3021

```
  [illegible]            654    OVERFLOW ON ACCT. 647                                            GROUP  %        /  /

ACCTS REC COLL BAL     09/01/71        6,995,494.
   SALES          . CRED          .             .
   IN PROCESS                                   .
   COLLECTIONS                                  .
   ADJUSTMENTS                                  .
GROSS COLLATERAL                                     6,995,494.
   INELIGIBLE                  03/16            .
   PAST DUE MORE THAN      DAYS03/16            .
NET COLLATERAL                                       6,995,494.
   DISCOUNT        .                            .
   EQUITY      20 %                    1,399,098.
                                                          A/C REC AVAILABILITY 5,596,396.
LOAN ACCOUNT BAL      09/01/71         5,000,000.
   ADVANCES                                     .
   NET COLLECTIONS                              .
   ADJ           .      FC        .             .
                                                          CURRENT LOAN BALANCE 5,000,000.

                                                          AVAIL ON RECEIVABLES    596,396.

OTHER COLLATERAL
                                      % AVAILAB

                                                          TOTAL AVAILABILITY      596,396.

                                             ADDITIONAL ITEMS NOT INCLUDED ABOVE
**************************************************************************************************
  AMOUNT REQUESTED  $                       *SALES       *          *          *          *
                                            *            ************          *          *
  APPROVED  A/C EXEC                        *CRED        *          *          *          *
                                            *            ************          *          *
  V.P.                                      *NET SALES   *          *          *          *
                                            *            ************          *          *
                                            *                       *          *          *
                                            *PAST DUE    *          *          *          *
********************************************             *          *          *          *
  ADDTL REC PROMISED                        *INELIGIBLE  *          *          *          *
                                            *            ************          *          *
                                            *TOTAL NET   *          *          *          *
********************************************             *          *          *          *
  MISSING SCHEDULES                         *LESS RESERVE*          *          *          *
********************************************************************************          *
  [illegible]                               *CASH      %*                      *          *
********************************************************************************          *
  [illegible]                               *                                  *          *
********************************************                                   ************

                                             TOTAL AVAIL FOR ADVANCE           **********
```

A 3022

```
09/01/71              663    DE LUXE TOPPER *OVERFLOW                                     GROUP  8          /  /

   ACCTS REC COLL BAL     09/01/71        9,000,000.
      SALES             . CRED           .           .
      IN PROGRESS                                    .
      COLLECTIONS                                    .
      ADJUSTMENTS                    .    .          .
   GROSS COLLATERAL                                          9,000,000.
      INELIGIBLE                       01/31         .
      PAST DUE MORE THAN          DAYS06/10          .
   NET COLLATERAL          .    .               $            9,000,000.
      DISCOUNT          %                            .
      EQUITY        20  %                 1,800,000.
                                                                    A/C REC AVAILABILITY 7,200,000.
   LOAN ACCOUNT BAL       09/01/71                   .
      ADVANCES                                       .
      NET COLLECTIONS                                .
      ADJ          .     EC          .               .
                                                                    CURRENT LOAN BALANCE            .

                                                                    AVAIL ON RECEIVABLES 7,200,000.
   OTHER COLLATERAL             .
                                       % AVAILAB              .                                     .

                                                                    TOTAL AVAILABILITY   7,200,000.

                                                    ADDITIONAL ITEMS NOT INCLUDED ABOVE
 **********************************************************************************************************
   AMOUNT REQUESTED  $                      *SALES        *         *         *            *
                                            *             **********          *            *
   APPROVED  A/C EXEC                       *CRED         *         *         *            *
                                            *             **********          *            *
   V.P.                                     *NET SALES    *         *         *            *
                                            *             **********          *            *
                                            *PAST DUE     *         *         *            *
 *******************************************                                  *            *
   AUDIT [illegible]                        *INELIGIBLE   *         *         *            *
                                            *             **********          *            *
                                            *TOTAL NET    *         *         *            *
 *******************************************                                  *            *
   [illegible]                              *LESS RESRV   *         *         *            *
 *******************************************  ************************        *
   [illegible]                              *CASH                   *          *
 *******************************************  ***********************          *
   [illegible]                              *                                  *
 *******************************************                        ***********

                                             TOTAL [illegible]                 ********
```

A 3023

```
[illegible]          [illegible]   UNSHIPPED RIGHTS DE LUXE,TOPPER CORP                 / /

ACCTS REC COLL BAL   09/01/71 65  ,2,191,873.
BY SALES           . CRED   1,094./     1,094.-
   IN PROCESS                                 .
   COLLECTIONS                                .
   ADJUSTMENTS                  .    .  .     .
GROSS COLLATERAL                                 2,180,779.
   INELIGIBLE                  08/19          .
   PAST DUE MORE THAN      DAYSOP/19          .
NET COLLATERAL           .     .        !        2,180,779.
   DISCOUNT        %                          .      .
   EQUITY       50 %               1,090,389.
                                                         A/C REC AVAILABILITY 1,090,390.
LOAN ACCOUNT BAL      09/01/71                .
   ADVANCES                                   .
   NET COLLECTIONS                            .
   ADJ          .    FC        .              .
                                                         CURRENT LOAN BALANCE          .

                                                         AVAIL ON RECEIVABLES 1,090,390.

OTHER COLLATERAL          .
                                   % AVAILAB        .                                   .

                                                         TOTAL AVAILABILITY   1,090,390.

                                       ADDITIONAL ITEMS NOT INCLUDED ABOVE
****************************************************************************************
 AMOUNT REQUESTED  $                *SALES       *         *         *           *
                                    *            ***********         *           *
 APPROVED  A/C EXEC                 *CRED        *         *         *           *
                                    *            ***********         *           *
 V.P.                               *NET SALES   *         *         *           *
                                    *            ***********         *           *
                                    *            *         *         *           *
                                    *PAST DUE    *         *         *           *
*************************************            *         *         *           *
 ADDTL REC PROMISED                 *INELIGIBLE  *         *         *           *
                                    *            ***********         *           *
                                    *TOTAL NET   *         *         *           *
*************************************            *         *         *           *
 MISSING RECEIPTS                   *LESS RESERVE*         *         *           *
*************************************            *********************           *
 [illegible] / [illegible]          *CASH       %*                   *           *
*************************************            *********************           *
 [illegible]                        *                                *           *
*************************************                                *************

                                      TOTAL AVAIL FOR ADVANCE        *************  +
```

A 3024

```
[illegible]                                    TOPPER 667

ACCTS REC COLL BAL    09/01/71       3105 1111.
   SALES           . CRED          . 18[illegible].
   IN PROCESS                         211 91[illegible].
   COLLECTIONS                        624 66[illegible].
   ADJUSTMENTS                          3[illegible].
GROSS COLLATERAL  .                                [illegible]4251508.
   INELIGIBLE                  CR/30 4226 8[illegible].
   PAST DUE MORE THAN       DAYS06/30/9 3651[illegible].
NET COLLATERAL                                     [illegible].
   DISCOUNT
   EQUITY       20            3633767.
                                               A/C REC AVAILABILITY 14535018.
[illegible] BAL       09/01/71
   [illegible]
   [illegible] CERT .
                                                       [illegible]
                                               [illegible] BALANCE
                                               [illegible] RECEIVABLES
```

A 3025

P. EXH 627 10/24/74

```
09/01/71          667          TCPPER CCRPCRATICN                L77.70

  ACCTS REC COLL BAL   09/01/71 558  6,660,736.
1236 SALES 1,948,959./CRED   9,059./ 1,839,900.
1237 IN PROCESS                        211,812.
1281 COLLECTIONS                       629,609.
     ADJUSTMENTS                           372.-
  GROSS COLLATERAL                                8,082,467.
     INELIGIBLE                   09/C24,775,849.
     PAST DUE MORE THAN 060 DAYSC8/19
  NET COLLATERAL                                  3,306,618.
     DISCOUNT
     EQUITY       20 %                 661,323.
                                                          A/C REC AVAILABILITY 2,645,295.
  LOAN ACCOUNT BAL     09/01/71      5,819,704.
     ADVANCES                          900,000.
     NET COLLECTIONS                   614,481.
     ADJ              FC
                                                          CURRENT LCAN BALANCE 6,105,223.

                                                          CVERDRAFT              3,459,928.-DEB

  OTHER COLLATERAL [illegible],552,284.                   CTHER CCLLATERAL
                           000 % AVAILAB
                                                          CVERCRAFT              3,459,928.-DEB

                                            ADDITIONAL ITEMS, NOT INCLUDED ABOVE
 ******************************************************************************
  AMOUNT REQUESTED  $               *SALES       *          *          *          *
                                    *            ************          *          *
  APPROVED  A/C EXEC                *CRED        *          *          *          *
                                    *            ************          *          *
  V.P.                              *NET SALES   *          *          *          *
                                    *            ************          *          *
                                    *            *          *          *          *
                                    *PAST DUE    *          *          *          *
 ************************************            *          *          *          *
  ADD'L REC PROMISED                *INELIGIBLE  *          *          *          *
                                    *            ************          *          *
                                    *TOTAL NET   *          *          *          *
 ************************************            *          *          *          *
  MISSING RECEIPTS                  *LESS RESERVE*          *          *          *
 ************************************            ***********************          *
  FIGURED / CHECKED                 *CASH      $ *                     *          *
 ************************************            ***********************          *
  CHECK ISSUED                      *                                  *          *
 ************************************                                  ************

                                   TOTAL AVAIL FOR ADVANCE             ************
```

A 3028

```
   09/01/71              655    DELUXE TOPPER 667 CVFL                                   GROUP  %         /  /

   ACCTS REC COLL BAL    09/01/71        8,403,547.
      SALES             . CRED          .          .
      IN PROCESS                                   .
      COLLECTIONS                                  .
      ADJUSTMENTS                     .            .
   GROSS COLLATERAL                                      8,403,547.
      INELIGIBLE                 08/19             .
    . PAST DUE MORE THAN     DAYS08/199,536,812.
   NET COLLATERAL          .    .                        1,133,265.-
      DISCOUNT        %                  $         .
      EQUITY       20 %                   226,653.
                                                                 A/C REC AVAILABILITY 1,359,918.-
   LOAN ACCOUNT BAL      09/01/71.       9,000,000.
      ADVANCES                                     .
      NET COLLECTIONS                              .
      ADJ           .     FC          .            .
                                                                 CURRENT LOAN BALANCE 9,000,000.

                                                                 OVERDRAFT                10,359,918.-DEB
   OTHER COLLATERAL        .
                               % AVAILAB

                                                                 OVERDRAFT                10,359,918.-DEB

                                                 ADDITIONAL ITEMS NOT INCLUDED ABOVE
   ****************************************************************************************************
   AMOUNT REQUESTED  $                *SALES        *           *          *                *
                                      *             ************           *                *
   APPROVED  A/C EXEC                 *CRED         *           *          *                *
                                      *             ************           *                *
   V.P.                               *NET SALES    *           *          *                *
                                      *             ************           *                *
                                      *             *           *          *                *
                                      *PAST DUE     *           *          *                *
   ***********************************              *           *          *                *
   [illegible]                        *INELIGIBLE   *           *          *                *
                                      *             ************           *                *
                                      *TOTAL NET    *           *          *                *
   ...................................              *           *          *                *
   [illegible]                        *LESS RESERVE *           *          *                *
   ...................................              ************************                *
                                      [illegible]  *                       *                *
   ...................................              ************************                *
                                                                           *                *
   ...................................                                     ******************

                                      [illegible]                          ******************
```

A 3027

```
  09/07/71          664    OVERFLOW ON ACCT. 667                                                GROUP  %       /  /

ACCTS REC COLL BAL    09/01/71        6,995,494.
   SALES            . CRED                    .
   IN PROCESS                                 .
   COLLECTIONS                                .
   ADJUSTMENTS                                .
GROSS COLLATERAL                                       6,995,494.
   INELIGIBLE                  03/16          .
   PAST DUE MORE THAN        DAYS03/16                 .
NET COLLATERAL                                         6,995,494.
   DISCOUNT        %                          .
   EQUITY     20 %                   1,399,098.
                                                              A/C REC AVAILABILITY 5,596,396.
LOAN ACCOUNT BAL     09/01/71        5,000,000.
   ADVANCES                                   .
   NET COLLECTIONS                            .
   ADJ              .   FC                    .
                                                              CURRENT LOAN BALANCE 5,000,000.

                                                              AVAIL ON RECEIVABLES   596,396.

OTHER COLLATERAL
                                 % AVAILAB

                                                              TOTAL AVAILABILITY     596,396.

                                          ADDITIONAL ITEMS NOT INCLUDED ABOVE
**********************************************************************************************
 AMOUNT REQUESTED  $                       *SALES ,    *        *       *          *
                                           *           **********       *          *
 APPROVED  A/C EXEC                        *CRED       *        *       *          *
                                           *           **********       *          *
 V.P.                                      *NET SALES  *        *       *          *
                                           *           **********       *          *
                                           *           *        *       *          *
                                           *PAST DUE   *        *       *          *
*******************************************            *        *       *          *
 ADDTL REC PROMISED                        *INELIGIBLE *        *       *          *
                                           *           **********       *          *
                                           *TOTAL NET  *        *       *          *
*******************************************            *        *       *          *
 MISSING RECEIPTS                          *LESS RESERVE        *       *          *
*******************************************            **************************  *
 FIGURED / CHECKED                         *CASH     %*                 *          *
*******************************************            **************************  *
 CHECK ISSUED                              *                            *          *
*******************************************                             ************

                                   TOTAL AVAIL FOR ADVANCE              ************
```

A 3028

```
09/07/71           663    DE LUXE TOPPER OVERFLOW                                GROUP  %        / /

ACCTS REC COLL BAL    09/01/71          9,000,000.
   SALES            . CRED        .             .
   IN PROCESS                                   .
   COLLECTIONS                                  .
   ADJUSTMENTS                  .   .           .
GROSS COLLATERAL                          .          9,000,000.
   INELIGIBLE                       01/31       .
   PAST DUE MORE THAN       DAYS06/10           .
NET COLLATERAL          .      .         $           9,000,000.
   DISCOUNT      .   %                          .
   EQUITY       20 %                    1,800,000.
               .                                            A/C REC AVAILABILITY  7,200,000.

LOAN ACCOUNT BAL      09/01/71                  .
   ADVANCES                                     .
   NET COLLECTIONS .                            .
   ADJ       .        .    FC         .         .
                                                            CURRENT LOAN BALANCE              .

                                                            AVAIL ON RECEIVABLES  7,200,000.

OTHER COLLATERAL           .
                                  % AVAILAB                                                  .

                                                            TOTAL AVAILABILITY    7,200,000.

                                                 ADDITIONAL ITEMS NOT INCLUDED ABOVE
*************************************************************************************************
  AMOUNT REQUESTED  $                         *SALES        *          *         *            *
                                              *             ************         *            *
  APPROVED  A/C EXEC                          *CRED         *          *         *            *
                                              *             ************         *            *
  V.P.                                        *NET SALES    *          *         *            *
                                              *             ************         *            *
                                              *             *          *         *            *
                                              *PAST DUE     *          *         *            *
**********************************************              *          *         *            *
  AUDIT REC REQUIRED                          *INELIGIBLE   *          *         *            *
                                              *             ************         *            *
                                              *TOTAL NET    *          *         *            *
**********************************************              *          *         *            *
  MISSING REC IPTS                            *LESS RESERVE*           *         *            *
**********************************************              **********************            *
  FIGURED / CHECKED                           *CASH        $*                    *            *
**********************************************              **********************            *
  CHECK ISSUED                                *                                  *            *
**********************************************                                   **************

                                               TOTAL AVAIL FOR ADVANCE           **************
```

A 3029

```
09/01/71          466     UNSHIPPED RIGHTS DE LUXE,TOPPER CORP                                    / /

ACCTS REC COLL BAL     09/01/71 65 /2,191,873.
64 SALES              . CRED   1,094./       1,094.-
     IN PROCESS                                 .
     COLLECTIONS                                .
     ADJUSTMENTS                                .
GROSS COLLATERAL                                      2,180,779.
     INELIGIBLE                    08/19        .
     PAST DUE MORE THAN        DAYS08/19        .
NET COLLATERAL                                        2,180,779.
     DISCOUNT       %
     EQUITY      50 %               1,090,389.
                                                            A/C REC AVAILABILITY 1,090,390.
LOAN ACCOUNT BAL      09/01/71                  .
     ADVANCES                                   .
     NET COLLECTIONS                            .
     ADJ           FC                           .
                                                            CURRENT LOAN BALANCE          .

                                                            AVAIL ON RECEIVABLES 1,090,390.

OTHER COLLATERAL
                                   $ AVAILAB                                              .

                                                            TOTAL AVAILABILITY   1,090,390.

                                              ADDITIONAL ITEMS NOT INCLUDED ABOVE
**************************************************************************************************
  AMOUNT REQUESTED  $                   *SALES   *         *         *              *
                                        *        ***********         *              *
 APPROVED  A/C EXEC                     *CRED    *         *         *              *
                                        *        ***********         *              *
  V.P.                                  *NET SALES*        *         *              *
                                        *        ***********         *              *
                                        *        *         *         *              *
                                        *PAST DUE *        *         *              *
****************************************         *         *         *              *
  ADDTL REC PREMISED                    *INELIGIBLE*       *         *              *
                                        *        ***********         *              *
                                        *TOTAL NET *       *         *              *
****************************************         *         *         *              *
                                        *LESS RESERVE*     *         *              *
****************************************  *********************      *              *
                                        *CASH    *                   *              *
****************************************  *********************      *              *
                                                                     *              *
****************************************                             ****************   X

                          TOTAL AVAIL FOR ADVANCE

A 3030
```

TUPER 667

[illegible] /71 [illegible]

ACCTS A/C COLL BAL 09/01/71 31059777.
SALES . CRED .1339960.
[illegible] 646739.
[illegible] 664516.
[illegible] 5408.
[illegible] 32873742.
[illegible] 09/004775347.
PAST DUE MORE THAN DAYS [illegible] 3 6812.
NET COLLATERAL 18561081.
[illegible]
[illegible] 70. 3712216.

A/C REC AVAILABILITY 14848865

LOAN [illegible] BAL 09/01/71 ~~[illegible]~~

2047049?
CURRENT LOAN BALANCE ~~[illegible]~~

AVAIL ON RECEIVABLES ~~[illegible]~~
5621628

% AVAILAB

$17 4,731,000

[illegible]

TOTAL AVAILABILITY ~~[illegible]~~
5621628

ADDITIONAL ITEMS NOT INCLUDED ABOVE

SALES		
CRED		
NET SALES		
PAST DUE		
INELIGIBLE	666	1090390
TOTAL NET		
LESS RESERVE		
CASH		

200,000

4,731

4531238
TOTAL AVAIL FOR ADVANCE

A 3031

P. EXH 628 10/24/74 RD

```
   09/30/71              667            TOPPER CORPORATION                    L77.70   GROUP  3       03/31/71

   ACCTS REC COLL BAL    09/01/71 855  6,669,736.
11 GROSS SALES 1,843,959. /CRED    9,059./ 1,834,900.
   RETURNS                                 666,980. /
12 COLLECTIONS                             564,516. /
      ADJUSTMENTS                            8,408.-
   GROSS COLLATERAL                                     8,474,701.
      INELIGIBLES                    09/024,775,849.
      PAST DUE MORE THAN 090 DAYS08/17              .
   NET COLLATERAL                                       3,698,852.
      DISCOUNT                                      .
      EQUITY        20 %                   739,770.
                                                                A/C REC AVAILABILITY 2,959,082.
   LOAN ACCOUNT BAL      09/01/71 .      5,919,704.
      ADVANCES                           1,300,000.
      NET COLLECTIONS                      549,211.
                                                    .
                                                                CURRENT LOAN BALANCE 6,470,493.

                                                                OVERDRAFT            3,511,411.-DEB

   OTHER COLLATERAL 7,567,284.
                                  000 % AVAILAB                 OTHER COLLATERAL              .

                                                                OVERDRAFT            3,511,411.-DEB


                                          ADDITIONAL ITEMS NOT INCLUDED ABOVE
   ************************************************************************************************
                                       *SALES
   ASSIGNED A/C REC                    *CRED
   M.P.                                *NET SALES
                                       *PAST DUE
                                       *INELIGIBLE
                                       *TOTAL NET
                                       *LESS RESERVE
                                       *CASH         2*

                                       TOTAL AVAIL FOR ADVANCE
```

A 3032

```
  [illegible]           565    DELUXE TOPPER 567 OVEL                                          GROUP  [illegible]       / /

ACCTS REC COLL BAL    09/01/71        8,403,547.
    SALES            . [illegible]                .
    IN PROCESS                                    .
    COLLECTIONS                                   .
    ADJUSTMENTS                                   .
GROSS COLLATERAL                                         8,403,547.
    INELIGIBLE                  09/19             .
    PAST DUE MORE THAN     DAYS09/199,536,812.
NET COLLATERAL                                           1,133,255.-
    DISCOUNT                                      .
    EQUITY          [illegible]          226,653.
                                                                A/C REC AVAILABILITY 1,359,918.-
LOAN ACCOUNT BAL      09/01/71        9,000,000.
    ADVANCES                                      .
    NET COLLECTIONS                               .
    ADJ                 FE                        .
                                                                CURRENT LOAN BALANCE 9,000,000.

                                                                OVERDRAFT           10,359,919.-DEB

OTHER COLLATERAL
                                 % AVAILAB

                                                                OVERDRAFT           10,359,918.-DEB

                                                ADDITIONAL ITEMS NOT INCLUDED ABOVE
**********************************************************************************************************
 AMOUNT REQUESTED $                         *SALES        *          *          *                *
                                            *              ***********          *                *
 [illegible] A/C REC                        *[illegible]  *          *          *                *
                                            *              ***********          *                *
 S.P.                                       *NET SALES    *          *          *                *
                                            *              ***********          *                *
                                            *             *          *          *                *
                                            *PAST DUE     *          *          *                *
 ********************************************             *          *          *                *
 [illegible] APPRAISED                      *INELIGIBLE   *          *          *                *
                                            *              ***********          *                *
                                            *TOTAL NET    *          *          *                *
 ********************************************             *          *          *                *
 [illegible]                                *LESS RESERVE *          *          *                *
 ********************************************              **********************                *
 [illegible]                                *CASH         *                     *                *
 ********************************************              **********************                *
                                            *                                   *                *
 ********************************************                                   ******************

                                             TOTAL AVAIL FOR ADVANCE________________*****************
```

A 3033

```
                          OVERFLOW ON ACCT. 647                                   GROUP      / /

ACCTS REC COLL BAL    09/01/71        6,995,494.
   SALES            . CRED        .              .
   IN PROCESS                                    .
   COLLECTIONS                                   .
   ADJUSTMENTS                     .     .       .
GROSS COLLATERAL                                        6,995,494.
   INELIGIBLE                  03/16             .
   PAST DUE MORE THAN      DAYS03/16             .
NET COLLATERAL              .     .         !           6,995,494.
   DISCOUNT           %                          .
   EQUITY          20 %               1,399,099.
                       .                                      A/C REC AVAILABILITY 5,596,396.
LOAN ACCOUNT BAL      09/01/71        5,000,000.
   ADVANCES                                      .
   NET COLLECTIONS                       .       .
   ADJ          .    EC          .               .            CURRENT LOAN BALANCE 5,000,000.

                                                              AVAIL ON RECEIVABLES    596,396.

OTHER COLLATERAL            .        % AVAILAB                                     .

                                                              TOTAL AVAILABILITY      596,396.

                                          ADDITIONAL ITEMS.NOT INCLUDED ABOVE
 A/C NOT REQUESTED  $                    *SALES
                                         *
 APPROVED  A/C EXEC                       CRED
                                         *
 V.P.                                    *NET SALES

                                         *PAST DUE
                                         *INELIGIBLE
  ADDTL REC PROMISED
                                         *TOTAL NET

                                         *LESS RESERVE*
  MISSING REPORTS
                                         *CASH        $*
           / CHECKED



                                          TOTAL AVAIL FOR ADVANCE
```

A 3031

```
09/01/71            663    DE LUXE TOPPER REVERSION                                   GROUP  E         / /

ACCTS REC CONTROL BAL    09/01/71         9,000,000.
    SALES           . CRED          .              .
    DISCOUNTS                                      .
    COLLECTIONS                                    .
    ADJUSTMENTS                       .      .     .
GROSS COLLATERAL                                   .     9,000,000.
    INELIGIBLE                    01/31            .
    PAST DUE MORE THAN        DAYS06/10            .
NET COLLATERAL                                     .     9,000,000.
    DILUTION        %                              .
    EQUITY       20 %                 1,800,000.          A/C REC AVAILABILITY 7,200,000.

LOAN ACCOUNT BAL        09/01/71                   .
    ADVANCES                                       .
    NET COLLECTIONS                                .
    NET            .   CC           .              .      CURRENT LOAN BALANCE          .

                                                          AVAIL ON RECEIVABLES 7,200,000.
OTHER COLLATERAL        .
                                    % AVAILAB                                            .

                                                          TOTAL AVAILABILITY   7,200,000.

                                            ADDITIONAL ITEMS NOT INCLUDED ABOVE
*********************************************************************************************
 ADDIT. REQUESTS  $                       *SALES       *          *          *          *
                                          *            ************          *          *
 APPROVED  A/C  REC                       *CRED        *          *          *          *
                                          *            ************          *          *
 V.P.                                     *NET SALES   *          *          *          *
                                          *            ************          *          *
                                          *            *          *          *          *
                                          *PAST DUE    *          *          *          *
******************************************             *          *          *          *
 ADDTL [illegible]                        *INELIGIBLE  *          *          *          *
                                          *            ************          *          *
                                          *TOTAL NET   *          *          *          *
******************************************             *          *          *          *
 MISC. RECEIPTS                           *LESS RESERVE*          *          *          *
******************************************             ************************          *
 REC [illegible] / CHECKED                *CASH       $*                     *          *
******************************************             ************************          *
 [illegible]                              *                                  *          *
******************************************                                   ************

                              TOTAL AVAIL FOR ADVANCE________________________ ************
```

A 3035

```
09/01/71            664     UNSHIPPED RIGHTS OF LUXE,TLUPER CORP

ACCTS REC COLL BAL     09/01/71 65     2,191,873.
64 SALES             . CRED   1,094./        1,094.-
     IN PROCESS                                  .
     COLLECTIONS                                 .
     ADJUSTMENTS              .      .           .
GROSS COLLATERAL                                       2,180,779.
     INELIGIBLE                   09/19          .
     PAST DUE MORE THAN       DAYS09/19          .
NET COLLATERAL                .     .      1           2,180,779.
     DISCOUNT         ~                          .
     EQUITY        60 %                  1,090,389.
                       .                                         A/C REC AVAILABILITY 1,090,390.
LOAN ACCOUNT BAL       09/01/71                  .
     ADVANCES                                    .
     NET COLLECTIONS                             .
     ADJ         .      .      EC       .        .
                                                                 CURRENT LOAN BALANCE          .

                                                                 AVAIL ON RECEIVABLES 1,090,390.

OTHER COLLATERAL             .             % AVAILAB
                                                                                               .

                                                                 TOTAL AVAILABILITY   1,090,390.
                          .                          . .

                                                        ADDITIONAL ITEMS NOT INCLUDED ABOVE
*************************************************************************************************
 AMOUNT REQUESTED   $                       *SALES       *         *          *            *
                                            *     '      ***********          *            *
 APPROVED   A/C EXEC                        *CRED        *         *          *            *
                                            *            ***********          *            *
 V.P.                                       *NET SALES   *         *          *            *
                                            *            ***********          *            *
                                            *     .      *         *          *            *
                                            *PAST DUE    *         *          *            *
*********************************************            *         *          *            *
 ADDTL REQ PAYMENT                          *INELIGIBLE  *         *          *            *
                                            *            ***********          *            *
                                            *TOTAL NET   *         *          *            *
                                            *            *         *          *            *
*********************************************LESS RESERVE*         *          *            *
 MISC RECEIPTS                              *            **********************            *
*********************************************                                 *            *
     /    REC                               *CASH       **                    *            *
*********************************************            **********************            *
                                                                              *            *
                                                                              **************
*********************************************

                                          TOTAL AVAIL FOR ADVANCE   .   .     **************
```

X

A 3036

TOPPER 667

Credit ?
ask E Belsky
looks very small for
credit ? ?

```
ACCTS REC [illegible] BAL      [illegible]/01/71   31051777.
   [illegible]                . CRED      . 1337100.
   [illegible]                              790259.
   [illegible]                              774123.
   ADJUSTMENTS                .       .       8405.
[illegible]                                          32907405.
   [illegible]                          [illegible]4715344.
   PAST DUE MORE THAN          DAYS[illegible]30453 6812.
[illegible]                   .       .               18594744.
   [illegible]
   [illegible]         20.                 3715945.
                                                      A/C REC AVAILABILITY 14875796.
LOAN [illegible] BAL            [illegible]/01/71
   [illegible]                                   .
   [illegible]                                   .
   [illegible]             .       .             .
                                                                        20569206
                                                      CURRENT LOAN BALANCE
                                                      AVAIL ON RECEIVABLES
                                                                       5693410
[illegible]                   .
                          % AVAILAB
                                                      TOTAL AVAILABILITY
                                                                       5693410
                                 ADDITIONAL ITEMS NOT INCLUDED ABOVE
```

[illegible]	SALES		
[illegible] A/C REC	VOID		
[illegible]	NET SALES		
	PAST DUE		
	INELIGIBLE		
		666	1090390
	TOTAL NET		
	LESS RESERVE		
	CASH		

4603020

TOTAL AVAIL FOR ADVANCE

A 3037

629 10/24/74 RG

```
[illegible]        [illegible]              [illegible] CORPORATION            L77.70   GROUP  3       03/31/72

  ACCTS REC COLL BAL   08/01/71 853  4,660,736.
1236 SALES [illegible]./CRED    9,059./ 1,339,909./
1237-34 [illegible] 859                  790,259./
1238 [illegible]                         714,123./
    ADJUSTMENTS             .     .       9,408.-
  [illegible]                                        8,503,364.
    [illegible]                  09/02%,775,849.
    PAST DUE MORE THAN 060 DAYS08/17             .
  [illegible]               .      .      I           3,732,515.
    [illegible]                                   .
    [illegible]          .                  746,503.
                                                                   A/C REC AVAILABILITY 2,996.012.
  LOAN [illegible]           08/01/71      5,819,704.
    ADVANCES                               1,500,000.
    [illegible] COLLECTIONS                  750,498.
    [illegible]       .     .  [illegible]   .        .
                                                                   CURRENT LOAN BALANCE 6,569,206.

                                                                   OVERDRAFT              3,583,194.-DEB
  [illegible] COLLATERAL [illegible]2,189.
                                       000 % AVAILAB               OTHER COLLATERAL                 .

                                                      . .          OVERDRAFT          .   3,583,194.-DEB

                                                   ADDITIONAL ITEMS NOT INCLUDED ABOVE
**********************************************************************************************************
  AMOUNT REQUESTED  $                    *SALES       *          *       *             *
                                         *            ************       *             *
  APPROVED  A/C REC                      *CRED        *          *       *             *
                                         *            ************       *             *
  V.P.                                   *NET SALES   *          *       *             *
                                         *            ************       *             *
                                         *            *          *       *             *
                                         *PAST DUE    *          *       *             *
*****************************************             *          *       *             *
  [illegible]                            *INELIGIBLE  *          *       *             *
                                         *            ************       *             *
                                         *TOTAL NET   *          *       *             *
  [illegible] ****************************            *          *       *             *
  [illegible]                            *LESS RESERVE*          *       *             *
  [illegible] ****************************            *********************            *
  [illegible]                            *CASH       $*                  *             *
  [illegible] ****************************            *********************            *
                                                                         *             *
  [illegible] ****************************                               ***************

                                          TOTAL AVAIL FOR ADVANCE        ***************
```

A 3038

```
 0?/ /71                 ?65    DELUXE TOPPER 567 OVFL                                    GROUP  X          / /

 ACCTS REC COLL BAL    09/01/71       8,403,547.
     SALES            . CRED        .          .
     IN PROCESS                                .
     COLLECTIONS                               .
     ADJUSTMENTS                   .     .     .
 GROSS COLLATERAL                                       8,403,547.
     INELIGIBLE                   08/19        .
     PAST DUE MORE THAN      DAYS07/314,536,812.        3,866,735.
 NET COLLATERAL                .    .      !
     RESERVE         %                         .
     EQUITY       20 %                773,347.                  A/C REC AVAILABILITY 3,093,398.
                   .
 LOAN ACCOUNT BAL      09/01/71       9,000,000.
     ADVANCES                                  .
     LESS COLLECTIONS                          .
     NET           .     FE         .          .                CURRENT LOAN BALANCE 9,000,000.

                                                                OVERDRAFT             5,906,612.-DEB

 OTHER COLLATERAL             .          % AVAILAB                                         .

                                                                OVERDRAFT             5,906,612.-DEB
                          .                  . .

                                                     ADDITIONAL ITEMS NOT INCLUDED ABOVE
 *****************************************************************************************************
  AMOUNT REQUESTED   $                          *SALES       *         *           *           *
                                                *   ,        ***********           *           *
  APPROVED  A/C EXEC                            *CRED        *         *           *           *
                                                *            ***********           *           *
  M.P.                                          *NET SALES   *         *           *           *
                                                *            ***********           *           *
                                                *  .         *         *           *           *
                                                *PAST DUE    *         *           *           *
 ***********************************************             *         *           *           *
  ADJUST REC PROVISO )                          *INELIGIBLE  *         *           *           *
                                                *            ***********           *           *
                                                *TOTAL NET   *         *           *           *
 ***********************************************             *         *           *           *
                                                *LESS RESERVE*         *   .       *           *
                                                *            *********************** *         *
  -    /  CHECKED                               *CASH       $*                     *           *
 ***********************************************             ***********************           *
                                                                                   *           *
                                                                                   *************
 ***********************************************
                                                   TOTAL AVAIL FOR ADVANCE         *************
```

A 3039

```
[illegible]/71            666    OVERFLOW ON ACCT. 667                                   GROUP  [illegible]      /  /

GROSS REC COLL BAL     03/01/71        6,995,494.
   SALES           . CRED          .             .
   [illegible]                                   .
   COLLECTIONS                                   .
   ADJUSTMENTS                 .    .            .
GROSS COLLATERAL                                        6,995,494.
   INELIGIBLE                      03/15 .       .
   [illegible] MORE THAN       DAYS03/16         .
NET COLLATERAL             .    .          !            6,995,494.
   [illegible]        .                          .
   [illegible]        RC .             1,399,098.
                   .                                         A/C REC AVAILABILITY 5,596,396.
LOAN ACCOUNT BAL       03/01/71        5,000,000.
   ADVANCES                                      .
   NET COLLECTIONS                               .
   [illegible]           .   RC        .         .
                                                             CURRENT LOAN BALANCE 5,000,000.

                                                             AVAIL ON RECEIVABLES    596,396.

OTHER COLLATERAL             .
                                        * AVAILAB                                           .

                                                             TOTAL AVAILABILITY      596,396.
                                                  . .

                                                ADDITIONAL ITEMS NOT INCLUDED ABOVE
AMOUNT REQUESTED $                            *SALES
                                              *CRED
[illegible]  A/C REC
                                              *NET SALES
[illegible]

                                              *PAST DUE

[illegible]                                   *INELIGIBLE

                                              *TOTAL NET

                                              *LESS RESERVE

                                              *CASH

                                            TOTAL AVAIL FOR ADVANCE
```

A 3040

```
  01/ /                163   DE LUXE TOPPER OVERFLOW                                          GROUP 8        / /

ACCTS REC COLL BAL    09/01/71        9,000,000.
    SALES            . CRED        .            .
    IN PROCESS                                  .
    COLLECTIONS                                 .
    ADJUSTMENTS                 .    .          .
GROSS COLLATERAL                                       9,000,000.
    INELIGIBLE                    01/31         .
    PAST DUE MORE THAN       DAYS07/315,000,000.       4,000,000.
NET COLLATERAL              .     .
    DISCOUNT          %                 !       .
    EQUITY         20 %                  800,000.            A/C REC AVAILABILITY 3,200,000.

LOAN BALANCE          09/01/71                  .
    ADVANCES                                    .
    NET COLLECTIONS                             .
    [illegible]        .     EC        .        .            CURRENT LOAN BALANCE          .

                                                             AVAIL ON RECEIVABLES 3,200,000.

OTHER COLLATERAL              .                                                            .
                                     % AVAILAB

                                                             TOTAL AVAILABILITY    3,200,000.

                                          ADDITIONAL ITEMS NOT INCLUDED ABOVE
**********************************************************************************************
 AMOUNT REQUESTED  $                    *SALES         *           *      *         *
                                        *              *************      *         *
 APPROVED  A/C EXEC                     *CRED          *           *      *         *
                                        *              *************      *         *
 V.P.                                   *NET SALES     *           *      *         *
                                        *              *************      *         *
                                        *              *           *      *         *
                                        *PAST DUE      *           *      *         *
****************************************               *           *      *         *
 TOTAL A/C PROMISED                     *INELIGIBLE    *           *      *         *
                                        *              *************      *         *
                                        *TOTAL NET     *           *      *         *
****************************************               *           *      *         *
 [illegible]                            *LESS RESERVE  *           *      *         *
****************************************               ****************** *         *
 [illegible]                            *CASH          *                  *         *
****************************************               ****************** *         *
                                        *                                 *         *
****************************************                                  ***********

                                         TOTAL AVAIL FOR ADVANCE          ***********
```

A 3041

```
[illegible]

ACCT. REC. COLL. BAL.   [illegible]/01/71        2,191,873.
   SALES             . CRED   1,094.         1,094.-
   [illegible]                                    .
   COLLECTIONS                                    .
   ADJUSTMENTS          .       .                 .
GROSS COLLATERAL                                      2,190,779.
   INELIGIBLE                   08/19             .
   PAST DUE MORE THAN        DAYS07/31            .
NET COLLATERAL           .         .                  2,190,779.
   [illegible]                                    .
   EQUITY          50 %              1,090,389.
                                                         A/C REC AVAILABILITY 1,090,390.
LOAN ACCOUNT BAL       09/01/71                   .
   ADVANCES                                       .
   LESS COLLECTIONS                               .
   [illegible]    .    LC           .             .
                                                         CURRENT LOAN BALANCE          .

                                                         AVAIL ON RECEIVABLES 1,090,390.

OTHER COLLATERAL          .
                                 % AVAILAB                                              .

                                                         TOTAL AVAILABILITY   1,090,390.

                                            ADDITIONAL ITEMS NOT INCLUDED ABOVE
*****************************************************************************************
 AMOUNT REQUESTED  $                      *SALES    *          *         *          *
                                          *         ************         *          *
 APPROVED  A/C REC                        *CRED     *          *         *          *
                                          *         ************         *          *
 V.P.                                     *NET SALES*          *         *          *
                                          *         ************         *          *
                                          *         *          *         *          *
                                          *PAST DUE *          *         *          *
*******************************************         *          *         *          *
 ADDTL [illegible]                        *INELIGIBLE          *         *          *
                                          *         ************         *          *
                                          *TOTAL NET*          *         *          *
*******************************************         *          *         *          *
 [illegible]                              *LESS RESERVE        *         *          *
*******************************************         ********************          *
 [illegible]                              *CASH     *                    *          *
*******************************************         ********************          *
                                          *                              *          *
*******************************************                              ************

                                 TOTAL AVAIL FOR ADVANCE__________________________
```

A 3042

TOPPER 667

```
[illegible]                                                    / /

ACCTS REC COLL BAL    09/01/71 31,059,777
   SALES          . CRED       .2,486,270
   IN PROCESS                    445,174
   COLLECTIONS                   876,346
   ADJUSTMENTS                     8,401-
GROSS COLLATERAL                            33,111,441.
   INELIGIBLE           03/04 4,715,848
   PAST DUE MORE THAN  DAYS03/04 9,536,816
NET COLLATERAL                              18,798,782.
   DISCOUNT
   EQUITY     20 %          3,759,756-
                                               A/C REC AVAILABILITY 15,039,026.
LOAN ACCOUNT BAL    09/01/71
   ADVANCES
   NET COLLECTIONS
   ADJ          .   FC

                                               CURRENT LOAN BALANCE 20,676,036
                                               AVAIL ON RECEIVABLES 5,637,008.
OTHER COLLATERAL
                      % AVAILAB

                                               TOTAL AVAILABILITY 5,637,008.
```

(c) -1646-A

advance

```
ADDITIONAL ITEMS NOT INCLUDED ABOVE
```

100,000

X

5/15/71 6,000 M

SALES			
CRED			
NET SALES			
PAST DUE			
INELIGIBLE		666	
TOTAL NET			1,090.390
LESS RESERVE			
CASH			
			4,546.618

SEP

TOTAL AVAIL FOR ADVANCE

A 3043

P. EXH 630 10/24/74 RD

```
09/13/71         667          TOPPER CORPORATION               L77.70   GROUP 4      03/31/72

                                           918
ACCTS REC COLL BAL     09/01/71               6,550,735.
SALES 2,495,949. CRED    9,059.               2,486,890.
IN PROCESS                          951         445,574.
COLLECTIONS                                     872,392.
   ADJUSTMENTS                                    8,408.-
GROSS COLLATERAL                                             8,712,400.
   INELIGIBLE                       05/024,775,849.
   PAST DUE MORE THAN 060 DAYS08/15                .
NET COLLATERAL                                               3,936,551.
   DISCOUNT        %                               .
   EQUITY      20. %                            787,310.
                                                                  A/C REC AVAILABILITY 3,149,241.

LOAN ACCOUNT BAL      09/01/71                5,919,704.
   ADVANCES                                   1,700,000.
   NET COLLECTIONS                              943,672.
   ADJ                   EC                        .
                                                                  CURRENT LOAN BALANCE 6,676,032.

                                                                  OVERDRAFT             3,526,791.-DEB

OTHER COLLATERAL 6,720,892.        00C % AVAILAB                  OTHER COLLATERAL      .

                                                                  OVERDRAFT             3,526,791.-DEB

                                      ADDITIONAL ITEMS NOT INCLUDED ABOVE

   [illegible]                 SALES
                               CRED
   [illegible] A/C EXTD
                               NET SALES
   [illegible]
                               PAST DUE

   [illegible]                 INELIGIBLE

                               TOTAL NET

   [illegible]                 LESS RESERVE

   [illegible]                 CASH

                               TOTAL AVAIL FOR ADVANCE
```

A 3044

```
     09/17/71             665    DELUXE TOPPER 667 CVFL                                      GROUP  3          /  /

  ACCTS REC COLL BAL     09/01/71        8,403,547.
       SALES          . CRED          .           .
       IN PROCESS                                 .
       COLLECTIONS                                .
       ADJUSTMENTS                    .     .     .
  GROSS COLLATERAL                                 8,403,547.
       INELIGIBLE                 08/19           .
       PAST DUE MORE THAN     DAYSO7/314,536,812.
  NET COLLATERAL                 .     .     I       3,866,735.
       DISCOUNT       %                           .
       EQUITY      20 %                  773,347.
                                                          A/C REC AVAILABILITY 3,093,388.
  LOAN ACCOUNT BAL      09/01/71         9,000,000.
       ADVANCES                                   .
       NET COLLECTIONS                            .
       ADJ            .     FC        .     .     .
                                                          CURRENT LOAN BALANCE 9,000,000.

                                                          OVERDRAFT              5,906,612.-DEB

  OTHER COLLATERAL              .
                                    % AVAILAB

                                              . .         OVERDRAFT              5,906,612.-DEB

                                               ADDITIONAL ITEMS NOT INCLUDED ABOVE
  ****************************************************************************************************
                                         *SALES          *            *          *               *
                                                          ************,          *               *
  [illegible] A/C [illegible]            *C-60)          *            *          *               *
                                         *                ************           *               *
  [illegible]                            *NET SALES      *            *          *               *
                                                          ************           *               *
                                         *               *            *          *               *
                                         *PAST DUE       *            *          *               *
          *************************************          *            *          *               *
     [illegible]                         *INELIGIBLE     *            *          *               *
                                         *                ************           *               *
                                         *TOTAL NET      *            *          *               *
  ******************************************             *            *          *               *
  [illegible]                            *LESS RESERVE   *            *          *               *
  ******************************************             ************************                *
  [illegible]                            *CASH           *                       *               *
  ******************************************             ************************                *
                                         *                                       *               *
  ******************************************                                     ****************
                                          TOTAL AVAIL FOR ADVANCE.               ****************
```

A 3045

```
                                                                                    GROUP  5        /  /

 09/10/71              664    OVERFLOW ON ACCT. 657

ACCTS REC COLL BAL    09/01/71        6,995,494.
    SALES             . CRED
    IN PROCESS
    COLLECTIONS
    ADJUSTMENTS
GROSS COLLATERAL                                   6,995,494.
    INELIGIBLE                 03/16
    PAST DUE MORE THAN     DAYS03/16
NET COLLATERAL                                     6,995,494.
    DISCOUNT          %
    EQUITY      20.%                  1,399,098.          A/C REC AVAILABILITY 5,596,396.

LOAN ACCOUNT BAL      09/01/71        5,000,000.
    ADVANCES
    NET COLLECTIONS
    ADJ               .    FC                             CURRENT LOAN BALANCE 5,000,000.

                                                          AVAIL ON RECEIVABLES    596,396.

 OTHER COLLATERAL                 % AVAILAB

                                                          TOTAL AVAILABILITY      596,396.

                                            ADDITIONAL ITEMS NOT INCLUDED ABOVE
                                         SALES
  [illegible]                            CRED
  [illegible]  A/C REC                   NET SALES
  V.P.
                                         PAST DUE
                                         INELIGIBLE
  [illegible]                            TOTAL NET
                                         LESS RESERVE
  [illegible]                            CASH
  [illegible]

                                         TOTAL AVAIL FOR ADVANCE____________
```

A 3046

```
                                                                         GROUP  1        / /
 09/10/71           663   DE LUXE TOPPER OVERFLOW

ACCTS REC COLL BAL     09/01/71        9,000,000.
    SALES              . CRED      .              .
    IN PROCESS                                    .
    COLLECTIONS                                   .
    ADJUSTMENTS                 .     .           .     9,000,000.
GROSS COLLATERAL
    INELIGIBLE                   01/31            .
    PAST DUE MORE THAN      DAYS07/315,000,000.         4,000,000.
NET COLLATERAL           .      .       !         .
    DISCOUNT          %                  800,000.
    EQUITY        20  .                                 A/C REC AVAILABILITY 3,200,000.

LOAN ACCOUNT BAL      09/01/71                    .
    ADVANCES                                      .
    NET COLLECTIONS                               .
    ADJ           .   FC         .                .     CURRENT LOAN BALANCE          .

                                                        AVAIL ON RECEIVABLES 3,200,000.
                                                                                      .
OTHER COLLATERAL           .         % AVAILAB

                                                        TOTAL AVAILABILITY   3,200,000.

                                            ADDITIONAL ITEMS NOT INCLUDED ABOVE

                                         SALES
                                         CREDIT
            A/C REC
                                         NET SALES

                                         PAST DUE
                                         INELIGIBLE
                    I. D
                                         TOTAL NET
                                         LESS RESERVE
                                         CASH

                                         TOTAL AVAIL FOR ADVANCE
```

A 3047

```
  09/10/71             666    UNSHIPPED RIGHTS DE LUXE,TOPPER CORP                                          / /

ACCTS REC COLL BAL    09/01/71      2,191,873.
   SALES              . CRED   1,094.        1,094.-
   IN PROCESS                                      .
   COLLECTIONS                                     .
   ADJUSTMENTS                  .     .            .
GROSS COLLATERAL                                         2,180,779.
   INELIGIBLE                    08/19             .
   PAST DUE MORE THAN        DAYS07/31             .
NET COLLATERAL                .     .       1          2,180,779.
   DISCOUNT        %                               .
   EQUITY       50 %                  1,090,389.
                                                             A/C REC AVAILABILITY 1,090,390.
LOAN ACCOUNT BAL      09/01/71                     .
   ADVANCES                                        .
   NET COLLECTIONS                                 .
   ADJ            .     FC        .                .
                                                             CURRENT LOAN BALANCE          .

                                                             AVAIL ON RECEIVABLES 1,090,390.

OTHER COLLATERAL            .
                                  % AVAILAB                                                .

                        .                    . .             TOTAL AVAILABILITY   1,090,390.

                                          ADDITIONAL ITEMS NOT INCLUDED ABOVE

                                      SALES
                                      [illegible]
                                      NET SALES

                                      PAST DUE

                                      INELIGIBLE

                                      TOTAL NET

                                      LESS RESERVE

                                      CASH



                                          TOTAL AVAIL FOR ADVANCE
```

61

A 3048

```
09/13/71        [redacted]                          T[illegible] 667     [redacted]    / /

ACCTS REC COLL BAL    09/01/71     31,059,777.
    SALES              . CRED     . 2486 170.
    IN PROCESS                       477 727.
    COLLECTIONS                    1,261. 261.
    ADJUSTMENTS                   .  10 410-.
GROSS COLLATERAL                                32,762,587
    INELIGIBLE              03/04 4175 847.
    PAST DUE MORE THAN     DAYS03/04 9536 812.
NET COLLATERAL                                  18,455,928.
    DISCOUNT         %                     .
    EQUITY       20  %            3,691,185 .
                                                     A/C REC AVAILABILITY 14,764,743
LOAN ACCOUNT BAL     09/01/71 .                .
    ADVANCES                                   .
    NET COLLECTIONS                            .
    ADJ          .  FC            .            .
                                                     CURRENT LOAN BALANCE 20419.378.

                                                     AVAIL ON RECEIVABLES 5,654.645 .

OTHER COLLATERAL              .                                             .
                           % AVAILAB
                                                     TOTAL AVAILABILITY 565.4645 .
          CA 4800 M
                               ADDITIONAL ITEMS NOT INCLUDED ABOVE
                                   SALES
                 300,000           CRED
                                   NET SALES                                           480
               600                                                                     550
                                   PAST DUE                                         # 4410 M
                                   INELIGIBLE            666     1090.390
   S 5100      & 110               TOTAL NET
                                   LESS RESERVE
                                   CASH
                         OK
                                                         4564255
                                   TOTAL AVAIL FOR ADVANCE
```

A 3049

P. EXH 631-BD
10/24/74

```
09/13/71           667          TOPPER CORPORATION                    L77.70   GROUP  3        03/31/72

                                              214
    ACCTS REC COLL BAL     09/01/71              6,660,736.
1234  SALES 2,495,949.  CRED     9,059   2,486,890.
1031 WIN PROCESS                  2596          494,727.
1261  COLLECTIONS                              1,261,865.
      ADJUSTMENTS                                10,940.-
    GROSS COLLATERAL                                         8,369,548.
      INELIGIBLE                       09/024,775,849.
      PAST DUE MORE THAN 060 DAYS08/19                .
    NET COLLATERAL                                    1      3,593,699.
      DISCOUNT          3                             .
      EQUITY        20  3                        718,739.
                                                                  A/C REC AVAILABILITY 2,874,960.
    LOAN ACCOUNT BAL       09/01/71              5,819,704.
      ADVANCES                                   1,800,000.
      NET COLLECTIONS                            1,200,316.
      ADJ               .    FC           .               .
                                                                  CURRENT LOAN BALANCE 6,419,388.

                                                                  OVERDRAFT               3,544,428.-DEB

    OTHER COLLATERAL 6,720,892.
                                       000 % AVAILAB              OTHER COLLATERAL                .

                                                                  OVERDRAFT               3,544,428.-DEB

                                              ADDITIONAL ITEMS NOT INCLUDED ABOVE

                                          *SALES
                                          *CRED
                                          *NET SALES
                                          *PAST DUE
                                          *INELIGIBLE
                                          *TOTAL NET
                                          *LESS RESERVE
                                          *CASH

                                           TOTAL AVAIL FOR ADVANCE
```

A 3050

```
ACCTS REC COLL BAL     09/01/71        8,403,547.
    SALES            . CRED        .            .
    IN PROCESS                                  .
    COLLECTIONS                                 .
    ADJUSTMENTS                    .     .      .
GROSS COLLATERAL                                       8,403,547.
    INELIGIBLE                     08/19        .
    PAST DUE MORE THAN      DAYS07/31      6,912.
NET COLLATERAL                                         3,866,735.
    DISCOUNT        %                           .
    EQUITY      20  %                    773,347.
                                                                A/C REC AVAILABILITY 3,093,388.
LOAN ACCOUNT BAL      09/01/71         9,000,000.
    ADVANCES                                    .
    NET COLLECTIONS                             .
    ADJ             .   FC         .            .
                                                                CURRENT LOAN BALANCE 9,000,000.

                                                                OVERDRAFT            5,906,612.-DEB
OTHER COLLATERAL                .
                                     % AVAILAB

                                                                OVERDRAFT            5,906,612.-DEB


                                              ADDITIONAL ITEMS NOT INCLUDED ABOVE

                                         SALES

                    A/C REC              CRED

                                         NET SALES


                                         PAST DUE

                                         INELIGIBLE

                                         TOTAL NET

                                         LESS RESERVE

                                         CASH



                                         TOTAL AVAIL FOR ADVANCE
```

A 3051

```
09/13/71              664    OVERFLOW ON ACCT. 667                                    GROUP  3          / /

ACCTS REC COLL BAL   09/01/71        6,995,494.
    SALES            . CRED        .           .
    IN PROCESS                                 .
    COLLECTIONS                                .
    ADJUSTMENTS                  .    .        .
GROSS COLLATERAL                                    6,995,494.
    INELIGIBLE                 03/16           .
    PAST DUE MORE THAN     DAYS03/16           .
NET COLLATERAL                .                     6,995,494.
    DISCOUNT        %                          .
    EQUITY      20 %                 1,399,098.
                                                             A/C REC AVAILABILITY 5,596,396.
LOAN ACCOUNT BAL     09/01/71  .     5,000,000.
    ADVANCES                                   .
    NET COLLECTIONS                            .
    ADJ          .    .   EC        .          .

                                                             CURRENT LOAN BALANCE 5,000,000.

                                                             AVAIL ON RECEIVABLES   596,396.

OTHER COLLATERAL            .
                                 % AVAILAB

                                                             TOTAL AVAILABILITY     596,396.

                                             ADDITIONAL ITEMS NOT INCLUDED ABOVE

                                        *SALES
                                        *CRED
                                        *NET SALES
                                        *PAST DUE
                                        *INELIGIBLE
                                        *TOTAL NET
                                        *LESS RESERVE
                                        *CASH

                                        TOTAL AVAIL FOR ADVANCE
```

A 3052

```
09/13/71          563    DE LUXE TOPPER *OVERFLOW                              GROUP 8        / /

ACCTS REC COLL BAL     09/01/71        9,000,000.
    SALES             . CRED        .           .
    IN PROCESS                                  .
    COLLECTIONS                                 .
    ADJUSTMENTS                  .     .        .
GROSS COLLATERAL                                       9,000,000.
    INELIGIBLE                01/31             .
    PAST DUE MORE THAN      DAYS07/315,000,000.
NET COLLATERAL               .     .        !          4,000,000.
    DISCOUNT        %                           .
    EQUITY      20 %                     800,000.
                                                              A/C REC AVAILABILITY 3,200,000.
LOAN ACCOUNT BAL       09/01/71                 .
    ADVANCES                                    .
    NET COLLECTIONS                             .
    ADJ              .     FC       .           .
                                                              CURRENT LOAN BALANCE            .

                                                              AVAIL ON RECEIVABLES 3,200,000.
OTHER COLLATERAL                .
                                  % AVAILAB                                                   .

                                                    . .       TOTAL AVAILABILITY   3,200,000.

                                              ADDITIONAL ITEMS NOT INCLUDED ABOVE

                                         *SALES
  APPROVED A/C REC                        *CRED
  N.P.                                    NET SALES
                                          PAST DUE
                                         *INELIGIBLE
                                         *TOTAL NET
                                         LESS RESERVE
                                         *CASH        $*

                                          TOTAL AVAIL FOR ADVANCE
```

A 3053

```
09/13/71            666    UNSHIPPED RIGHTS DE LUXE,TOPPER CORP
                                   65
ACCTS REC COLL BAL    09/01/71          2,181,873.
   SALES          . CRED   1,094.           1,094.-
   IN PROCESS                                    .
   COLLECTIONS                                   .
   ADJUSTMENTS                                   .
GROSS COLLATERAL                                      2,180,779.
   INELIGIBLE                    08/19           .
   PAST DUE MORE THAN        DAYS07/31           .
NET COLLATERAL                                        2,180,779.
   DISCOUNT         %                            .
   EQUITY       50  %                   1,090,389.
                                                          A/C REC AVAILABILITY 1,090,390.
LOAN ACCOUNT BAL      09/01/71                   .
   ADVANCES                                      .
   NET COLLECTIONS                               .
   ADJ            .   FC                         .
                                                          CURRENT LOAN BALANCE           .

                                                          AVAIL ON RECEIVABLES 1,090,390.

OTHER COLLATERAL             .
                               % AVAILAB                                                 .

                                                          TOTAL AVAILABILITY   1,090,390.

                                         ADDITIONAL ITEMS NOT INCLUDED ABOVE

                                        SALES
                                        CRED
                                        NET SALES
                                        PAST DUE
                                        INELIGIBLE
                                        TOTAL NET
                                        LESS RESERVES
                                        CASH

                                        TOTAL AVAIL FOR ADVANCE
```

A 3054

```
09/14/71      [redacted]      TOPPER      [redacted]
                                   667

ACCTS REC COLL BAL     09/01/71      31,054.771.
    SALES             . CRED      .   2,921,619.
    IN PROCESS
    COLLECTIONS                       1,446,916.
    ADJUSTMENTS              .          57,344-
GROSS COLLATERAL                                  32,543,136.
    INELIGIBLE               03/04 4,775,849.
    PAST DUE MORE THAN    DAYS03/04 9,470,436.
NET COLLATERAL        .    .                      18,296,851.
    DISCOUNT
    EQUITY        20          3,659,370

                                        A/C REC AVAILABILITY 14,637,481.
LOAN ACCOUNT BAL       09/01/71
    ADVANCES
    NET COLLECTIONS
    ADJ           .   FC     .

                                        CURRENT LOAN BALANCE 20,545,492.

                                        AVAIL ON RECEIVABLES 5,908,011.
OTHER COLLATERAL       .
                       % AVAILAB

                                        TOTAL AVAILABILITY  5,908,011 .

                    ADDITIONAL ITEMS NOT INCLUDED ABOVE
                       SALES/24    374,373.
A/C REC 200,000-       CRED   86    604,79
                       NET SALES    313,291
0                                  68
                       PAST DUE               666   1,090,390
                       INELIGIBLE
                       TOTAL NET
                       LESS RESERVES
                       CASH
                                                    251,119
                     K/10
                                                    4,166,506
             TOTAL AVAIL FOR ADVANCE
```

OK 4766.5

P. EXH 632

10/24/74

```
09/14/71          667          TOPPER CORPORATION               L77.70   GROUP  3      03/31/72

    ACCTS REC COLL BAL   09/01/71  26 6,560,736.
/2 11 SALES 3,057,091. CRED   75,472.  2,981,619.
       IN PROCESS                              .
/2 2t  COLLECTIONS                    1,446,916.
       ADJUSTMENTS           .     .     51,344.-
    GROSS COLLATERAL                                8,144,095.
       INELIGIBLE                09/024,775,849.
       PAST DUE MORE THAN 060 DAYS09/19        .
    NET COLLATERAL            .    .                3,368,246.
       DISCOUNT        %                   !   .
       EQUITY       20 %                 673,649.
                                                           A/C REC AVAILABILITY 2,694,597.
    LOAN ACCOUNT BAL      09/01/71      5,819,704.
       ADVANCES                         2,100,000.
       NET COLLECTIONS                  1,374,212.
       ADJ           .    FC      .            .
                                                           CURRENT LOAN BALANCE 6,545,492.

                                                           OVERDRAFT              3,850,895.-DEB  .

    OTHER COLLATERAL 6,899,942.                            
                                 000 % AVAILAB             OTHER COLLATERAL                 .

                                                           OVERDRAFT              3,850,895.-DEB

                                         ADDITIONAL ITEMS NOT INCLUDED ABOVE
    ***************************************************************************************
    [illegible]                          *SALES      *          *         *              *
                                         .           ************         *              *
    [illegible]  A/C  REC                *CRED       *          *         *              *
                                         .           ************         *              *
    W.P.                                 *NET SALES  *          *         *              *
                                                     ************         *              *
                                         .           *          *         *              *
                                         *PAST DUE   *          *         *              *
    ************************************.            *          *         *              *
    [illegible]                          *INELIGIBLE *          *         *              *
                                         .           ************         *              *
                                         *TOTAL NET  *          *         *              *
    ************************************             *          *         *              *
    [illegible]                          *LESS RESERVE*         *         *              *
    ************************************.            ************************            *
    [illegible]                          *CASH       **                   *              *
    ************************************             ************************            *
    [illegible]                          .                                *              *
    ************************************                                  ****************

                                         TOTAL AVAIL FOR ADVANCE___ .     ****************
```

A 3055

```
  09/[illegible]/71          665    DELUXE TOPPER 667 OVFL                                        GROUP  8          /  /

ACCTS REC COLL BAL    09/01/71       8,403,547.
   SALES           . CRED       .            .
   IN PROCESS                                .
   COLLECTIONS                               .
   ADJUSTMENTS                .    .         .
GROSS COLLATERAL                                  8,403,547.
   INELIGIBLE              08/19             .
   PAST DUE MORE THAN     DAYS07/314,536,812.
NET COLLATERAL         .    .                     3,866,735.
   DISCOUNT      %                           .
   EQUITY      20 %                   773,347.
                                                       A/C REC AVAILABILITY 3,093,388.
LOAN ACCOUNT BAL     09/01/71        9,000,000.
   ADVANCES                                  .
   NET COLLECTIONS                           .
   ADJ          .   FC          .            .
                                                       CURRENT LOAN BALANCE 9,000,000.

                                                       OVERDRAFT                5,906,612.-DEB

OTHER COLLATERAL        .
                                   % AVAILAB

                                          . .          OVERDRAFT         .      5,906,612.-DEB

                                          ADDITIONAL ITEMS NOT INCLUDED ABOVE
[illegible]                                SALES
                                           CRED
[illegible] A/C REC
                                           NET SALES
[illegible]
                                           PAST DUE

[illegible]                                INELIGIBLE

                                           TOTAL NET

[illegible]                                LESS RESERVE

[illegible]                                CASH

                                           TOTAL AVAIL FOR ADVANCE
```

A 3057

```
09/14/71            666    OVERFLOW ON ACCT. 667                                  GROUP 3    /  /

ACCTS REC COLL BAL    09/01/71         6,995,494.
   SALES            . CRED        .             .
   IN PROCESS                                   .
   COLLECTIONS                                  .
   ADJUSTMENTS                    .    .        .
GROSS COLLATERAL                                     6,995,494.
   INELIGIBLE                  03/16            .
   PAST DUE MORE THAN      DAYS03/16            .
NET COLLATERAL                 .   .     $      .    6,995,494.
   DISCOUNT        %                            .
   EQUITY     20 %                 1,399,098.         A/C REC AVAILABILITY 5,596,396.

LOAN ACCOUNT BAL      09/01/71 .    5,000,000.
   ADVANCES                                     .
   NET COLLECTIONS                              .
   ADJ           .   FC        .                .     CURRENT LOAN BALANCE 5,000,000.

                                                      AVAIL ON RECEIVABLES     596,396.

OTHER COLLATERAL         .          % AVAILAB

                                                      TOTAL AVAILABILITY       596,396.


                                      ADDITIONAL ITEMS NOT INCLUDED ABOVE
   ***************************************************************************************
   [illegible]                          *SALES        *          *          *          *
                                        *             ************          *          *
   [illegible] A/C REC                  *CRED         *          *          *          *
                                        *             ************          *          *
   [illegible]                          *NET SALES    *          *          *          *
                                        *             ************          *          *
                                        *             *          *          *          *
                                        *PAST DUE     *          *          *          *
   **************************************             *          *          *          *
   [illegible]                          *INELIGIBLE   *          *          *          *
                                        *             ************          *          *
                                        *TOTAL NET    *          *          *          *
   **************************************             *          *          *          *
   [illegible]                          *LESS RESERVES*          *          *          *
   **************************************             ***********************          *
   [illegible]                          *CASH         *                     *          *
   **************************************             ***********************          *
                                        *                                   *          *
   **************************************                                   ************

                                   TOTAL AVAIL FOR ADVANCE                  ************
```

A 3058

```
09/14/71          563   DE LUXE TOPPER *OVERFLOW                                GROUP 8      / /

ACCTS REC COLL BAL   09/01/71        9,000,000.
    SALES              . CRED          .         .
    IN PROCESS                                   .
    COLLECTIONS                                  .
    ADJUSTMENTS                        .     .   .    9,000,000.
GROSS COLLATERAL
    INELIGIBLE                      01/31        .
    PAST DUE MORE THAN        DAYS07/315,000,000.     4,000,000.
NET COLLATERAL                      .     .      1
    DISCOUNT           %                         .
    EQUITY        20 %                    800,000.          A/C REC AVAILABILITY 3,200,000.
                     .
LOAN ACCOUNT BAL     09/01/71                    .
    ADVANCES                                     .
    NET COLLECTIONS                              .
    ADJ              .    EC           .         .          CURRENT LOAN BALANCE          .
                 .
                                                            AVAIL ON RECEIVABLES 3,200,000.

OTHER COLLATERAL           .                                                              .
                                      % AVAILAB
                                                            TOTAL AVAILABILITY   3,200,000.
                       .                           . .

                                     ADDITIONAL ITEMS, NOT INCLUDED ABOVE
                                       SALES
 [illegible]
                                       CRED
 [illegible] A/C [illegible]
                                       NET SALES
 [illegible]
                                       PAST DUE

                                       INELIGIBLE
 [illegible]
                                       TOTAL NET

                                       LESS RESERVE
 [illegible]
                                       CASH
 [illegible]


                                      TOTAL AVAIL FOR ADVANCE
```

A 3059

```
09/14/71            666     UNSHIPPED RIGHTS DE LUXE,TOPPER CORP
                                  61

ACCTS REC COLL BAL    09/01/71          2,181,873.
    SALES           . CRED   1,094.         1,094.-
    IN PROCESS                                   .
    COLLECTIONS                                  .
    ADJUSTMENTS                .     .           .
GROSS COLLATERAL                                      2,180,779.
    INELIGIBLE                   08/19           .
    PAST DUE MORE THAN        DAYS07/31          .
NET COLLATERAL           .       .       ,          . 2,180,779.
    DISCOUNT        %                            .
    EQUITY       50 %                   1,090,389.           A/C REC AVAILABILITY 1,090,390.
                  .
LOAN ACCOUNT BAL     09/01/71                    .
    ADVANCES                                     .
    NET COLLECTIONS                              .
    ADJ           .     FC         .             .           CURRENT LOAN BALANCE          .

                                                             AVAIL ON RECEIVABLES 1,090,390.

OTHER COLLATERAL              .          % AVAILAB                                       .

                                                             TOTAL AVAILABILITY   1,090,390.

                                          ADDITIONAL ITEMS NOT INCLUDED ABOVE

   [illegible]                          SALES
                                        CRED
   [illegible]  A/C REC
                                        NET SALES
   [illegible]
                                        PAST DUE

                                        INELIGIBLE
   [illegible]
                                        TOTAL NET

                                        LESS RESERVE
   [illegible]
                                        CASH
   [illegible]

   [illegible]

                                        TOTAL AVAIL FOR ADVANCE
```

A 3060

```
09/15/71        [redacted]                      TOPPER   [redacted]
                                                 667

ACCTS REC COLL BAL    09/01/71      31,054 777 .
   SALES           . CRED        .  3295 511 .
   IN PROCESS                          68 373 .
   COLLECTIONS                       1512501 .
   ADJUSTMENTS               .      309 673-.
GROSS COLLATERAL                                 32,595.464.
   INELIGIBLE             03/04 4,775 847.
   PAST DUE MORE THAN    DAYS03/04 94,7? 416
NET COLLATERAL            .                      18,399.184.
   DISCOUNT        %                         .
   EQUITY     20.%                 3669.836.
                                                    A/C REC AVAILABILITY 14,679.348.
LOAN ACCOUNT BAL     09/01/71                .
   ADVANCES                                  .
   NET COLLECTIONS                           .
   ADJ          .   FC           .           .
                                                    CURRENT LOAN BALANCE [illegible],67?.611.

                                                    AVAIL ON RECEIVABLES 5,997.723 .

OTHER COLLATERAL        .
                          % AVAILAB          .                                    .

                                 . .                TOTAL AVAILABILITY 5997.7?3 .

                                     ADDITIONAL ITEMS NOT INCLUDED ABOVE

 AMOUNT REQUESTED $              SALES
 PORTFOLIO A/C [illegible]  [redacted]   CRED
 L.P.                            NET SALES
                                 PAST DUE                  666      1090.39?
 ADDL REC REQUESTED  ?? Sales    INELIGIBLE
                     381 ??      TOTAL NET
 [illegible]                     LESS RESERVE
 [illegible]  2                  CASH        $
 [illegible]
                                                                    4907 333
                                 TOTAL AVAIL FOR ADVANCE
```

A 3061

P. EXH 633 RD

10/24/74

```
   09/15/71          667          TOPPER CORPORATION              L77.70   GROUP  3        03/31/72

  ACCTS REC COLL BAL    09/01/71  961    6,660,736.
1237 SALES 3,431,464. CRED 135,947.      3,295,517.
1193   IN PROCESS               96          68,373.
1281   COLLECTIONS                       1,518,505.
       ADJUSTMENTS               .         309,693.-
  GROSS COLLATERAL                                    1,803,572.-
       INELIGIBLE            09/024,775,849.
       PAST DUE MORE THAN 060 DAYS08/19            .
  NET COLLATERAL              .            1          6,579,421.-
       DISCOUNT         3                          .
       EQUITY        20.3                1,315,884.
                                                            A/C REC AVAILABILITY 7,895,305.-
  LOAN ACCOUNT BAL     09/01/71          5,819,704.
       ADVANCES                          2,300,000.
       NET COLLECTIONS                   1,442,633.
       ADJ          .   FC        .      .        .
                                                            CURRENT LOAN BALANCE 6,677,071.

                                                            OVERDRAFT            14,572,376.-DEB

  OTHER COLLATERAL 6,845,175.
                              000 % AVAILAB                 OTHER COLLATERAL           .

                                                            OVERDRAFT            14,572,376.-DEB

                                      ADDITIONAL ITEMS NOT INCLUDED ABOVE
  ***********************************************************************************************
   AMOUNT REQUESTED $               *SALES     *          *      *            *
                                    *          ************      *            *
   APPROVED A/C EXEC                *CRED      *          *      *            *
                                    *          ************      *            *
   V.P.                             *NET SALES *          *      *            *
                                    *          ************      *            *
                                    *          *          *      *            *
                                    *PAST DUE  *          *      *            *
  ***********************************          *          *      *            *
   AUDIT REC PROMISED               *INELIGIBLE*          *      *            *
                                    *          ************      *            *
                                    *TOTAL NET *          *      *            *
  ***********************************          *          *      *            *
   MISSING RECEIPTS                 *LESS RESERVE         *      *            *
  ***********************************************************    *            *
   FINANCIAL / CHECKED              *CASH      $*                *            *
  ***********************************************************    *            *
   NEXT (DATE)                      *                            *            *
  ***********************************                            **************

                          TOTAL AVAIL FOR ADVANCE                **************
```

A 3062

```
09/15/71          665   DELUXE TOPPER 667 OVFL                         GROUP  %        / /

ACCTS REC COLL BAL    09/01/71       8,403,547.
   SALES            . CRED       .            .
   IN PROCESS                                 .
   COLLECTIONS                                .
   ADJUSTMENTS                   .     .      .
GROSS COLLATERAL                                    8,403,547.
   INELIGIBLE                    08/19        .
   PAST DUE MORE THAN       DAYS09/144,470,436.  /
NET COLLATERAL              .    .       1          3,933,111.
   DISCOUNT          %                        .
   EQUITY       20 %                   786,622.
                                                          A/C REC AVAILABILITY 3,146,489.
LOAN ACCOUNT BAL     09/01/71        9,000,000.
   ADVANCES                                   .
   NET COLLECTIONS                            .
   ADJ            .   FC          .      .    .  .
                                                          CURRENT LOAN BALANCE 9,000,000.

                                                          OVERDRAFT            5,853,511.-DEB

OTHER COLLATERAL             .
                                    % AVAILAB

                                            . .           OVERDRAFT          . 5,853,511.-DEB

                                          ADDITIONAL ITEMS NOT INCLUDED ABOVE
  AMOUNT REQUESTED  $                     SALES

  APPROVED  A/C EXEC                      CRED

  V.P.                                    NET SALES

                                          PAST DUE

  AUDIT REC [illegible]                   INELIGIBLE

                                          TOTAL NET

  MISSING RECEIPTS                        LESS RESERVE

  [illegible]                             CASH

                                          TOTAL AVAIL FOR ADVANCE
```

A 3063

```
  09/15/71              664    OVERFLOW ON ACCT. 667                                  GROUP  %          / /

ACCTS REC COLL BAL     09/01/71        6,995,494.
    SALES            . CRED                    .
    IN PROCESS                                 .
    COLLECTIONS                                .
    ADJUSTMENTS                                .
GROSS COLLATERAL                                    6,995,494.
    INELIGIBLE                 03/16           .
    PAST DUE MORE THAN      DAYS03/16          .
NET COLLATERAL                                      6,995,494.
    DISCOUNT       %                           .
    EQUITY      20 %                   1,399,098.
                                                          A/C REC AVAILABILITY 5,596,396.
LOAN ACCOUNT BAL       09/01/71        5,000,000.
    ADVANCES                                   .
    NET COLLECTIONS                            .
    ADJ           .   FC                       .
                                                          CURRENT LOAN BALANCE 5,000,000.

                                                          AVAIL ON RECEIVABLES    596,396.

OTHER COLLATERAL                                .
                                 % AVAILAB

                                                          TOTAL AVAILABILITY      596,396.

                                          ADDITIONAL ITEMS NOT INCLUDED ABOVE
************************************************************************************************
*  AMOUNT REQUESTED  $               *SALES       *          *           *             *
                                     *            ************           *             *
   APPROVED  A/C EXEC                *CRED        *          *           *             *
                                     *            ************           *             *
   V.P.                              *NET SALES   *          *           *             *
                                     *            ************           *             *
                                     *            *          *           *             *
                                     *PAST DUE    *          *           *             *
**************************************            *          *           *             *
   ADDL REC PROMISED                 *INELIGIBLE  *          *           *             *
                                     *            ************           *             *
                                     *TOTAL NET   *          *           *             *
**************************************            *          *           *             *
   MISSING RECEIPTS                  *LESS RESERVE*          *           *             *
**************************************            ************************             *
   [illegible] CHECKED               *CASH      % *                      *             *
**************************************            ************************             *
   [illegible]                       *                                   *             *
**************************************                                   ***************

                                      TOTAL AVAIL FOR ADVANCE__________  ***************
```

A 3064

```
09/15/71            663    DE LUXE TOPPER *OVERFLOW                                    GROUP  %          /  /

ACCTS REC COLL BAL     09/01/71        9,000,000.
    SALES              . CRED        .             .
    IN PROCESS                                     .
    COLLECTIONS                                    .
    ADJUSTMENTS                        .    .      .
GROSS COLLATERAL                                         9,000,000.
    INELIGIBLE                    01/31            .
    PAST DUE MORE THAN       DAYS09/145,000,000.
NET COLLATERAL                .    .       1             4,000,000.
    DISCOUNT          %                            .
    EQUITY        20  %                    800,000.
                                                              A/C REC AVAILABILITY  3,200,000.
LOAN ACCOUNT BAL       09/01/71                    .
    ADVANCES                                       .
    NET COLLECTIONS                                .
    ADJ               .    FC        .             .
                                                              CURRENT  LOAN BALANCE          .

                                                              AVAIL ON RECEIVABLES  3,200,000.

OTHER COLLATERAL               .                                                             .
                                    % AVAILAB

                                                              TOTAL AVAILABILITY    3,200,000.

                                            ADDITIONAL ITEMS, NOT INCLUDED ABOVE

  AMOUNT REQUESTED $                       SALES

  APPROVED  A/C EXEC                       CRED

  V.P.                                     NET SALES

                                           PAST DUE

  [illegible]                              INELIGIBLE

                                           TOTAL NET

  [illegible]                              LESS RESERVE

  [illegible] / CHECKED                    CASH        %

                                           TOTAL AVAIL FOR ADVANCE
```

A 3065

```
09/15/71             666   UNSHIPPED RIGHTS DE LUXE,TOPPER CORP

ACCTS REC COLL BAL    09/01/71 65   2,181,873.
   SALES            . CRED  1,094.     1,094.-
   IN PROCESS                               .
   COLLECTIONS                              .
   ADJUSTMENTS                .    .        .
GROSS COLLATERAL                                 2,180,779.
   INELIGIBLE                   08/19       .
   PAST DUE MORE THAN       DAYS05/14       .
NET COLLATERAL               .    .     $        2,180,779.
   DISCOUNT         %                       .
   EQUITY      50.%                 1,090,389.
                                                      A/C REC AVAILABILITY 1,090,390.
LOAN ACCOUNT BAL     09/01/71               .
   ADVANCES                                 .
   NET COLLECTIONS                          .
   ADJ          .    FC        .            .
                                                      CURRENT LOAN BALANCE           .

                                                      AVAIL ON RECEIVABLES 1,090,390.

OTHER COLLATERAL            .
                                 % AVAILAB                                           .

                                                      TOTAL AVAILABILITY   1,090,390.

                                         ADDITIONAL ITEMS NOT INCLUDED ABOVE

  AMOUNT REQUESTED  $                   SALES

  APPROVED  A/C EXEC                    CRED

  V.P.                                  NET SALES


                                        PAST DUE

  ADDT'L REC PROMISED                   INELIGIBLE

                                        TOTAL NET

  MISSING RECEIPTS                      LESS RESERVE

  [illegible] / CHECKED                 CASH


                                        TOTAL AVAIL FOR ADVANCE
```

A 3066

TOFREER 667

ACCTS REC COLL BAL 09/01/71 31,057,771
SALES . CRED . 3,363,277
IN PROCESS 178,711
COLLECTIONS 1,881,715
ADJUSTMENTS . 366,458-
GROSS COLLATERAL 32,323,540.
INELIGIBLE 03/04 11,773,416
PAST DUE MORE THAN DAYS 03/04 2,327,242
NET COLLATERAL 18.222812
DISCOUNT %
EQUITY 20 % 3,644.562

LOAN ACCOUNT BAL 09/01/71
ADVANCES
NET COLLECTIONS
ADJ . FC

OTHER COLLATERAL
% AVAILAB

7¾
5⅛

P.i.B. 4500-
at 80% less p.s. lib. 800
4200-
less B/H 1000

A/C REC AVAILABILITY 14,578,250. P.cA. 3200-
3000
2 0

CURRENT LOAN BALANCE 20,295,318.

AVAIL ON RECEIVABLES 5,717.068.

TOTAL AVAILABILITY 5717.068.

ADDITIONAL ITEMS NOT INCLUDED ABOVE

Ch privileges 154 M
Excess Ceiling 3119
5 M
C+H 1000
all. avail. 1055 M
[illegible] 51 M
Diwak 1003 M
6/4M 551.
- 154
4297
CA - 2026

AMOUNT REQUESTED $

APPROVED A/C EXEC 2,000,000 7/10

V.P.

A/C REC PROCESSED

MISSING RECEIPTS

RECEIVED / CHECKED

CHECK ISSUED SEP 17 1971

*SALES
*CRED
*NET SALES
*PAST DUE 111 9022
*INELIGIBLE 666 ~~1040.54~~
*TOTAL NET
*LESS RESERVE
*CASH $

4557 [illegible]

TOTAL AVAIL FOR ADVANCE

A 3067

P. EXH 634 -CP
10/24/74

```
09/14/71            657            TOPPER CORPORATION               L77.70   GROUP  3        03/31/72

                                               dc
    ACCTS REC COLL BAL    09/01/71           5,650,736.
1271 SALES 3,534,734. CRED 172,844.  -3,363,890.
1264 IN PROCESS                       963      149,781.
1278 COLLECTIONS                             1,831,950.
       ADJUSTMENTS                 .       .    366,958.-
    GROSS COLLATERAL                                         2,075,501.-
       INELIGIBLE                      09/024,775,849.
       PAST DUE MORE THAN 060 DAYS08/19                .
    NET COLLATERAL                                           6,851,350.-
       DISCOUNT        %      .       .       !        .
       EQUITY      20 %                      1,370,270.
                                                             A/C REC AVAILABILITY 8,221,620.-
    LOAN ACCOUNT BAL      09/01/71           5,919,704.
       ADVANCES                              2,300,000.
       NET COLLECTIONS                       1,824,386.
       ADJ              .   FC       .                 .
                                                             CURRENT LOAN BALANCE 6,295,318.

                                                             OVERDRAFT              14,516,938.-DEB
    OTHER COLLATERAL 6,837,622.
                                 000 % AVAILAB              OTHER COLLATERAL              .

                                                             OVERDRAFT              14,516,938.-DEB

                                               ADDITIONAL ITEMS NOT INCLUDED ABOVE
**************************************************************************************************
    AMOUNT REQUESTED  $                       *SALES      *          *          *          *
                                              *           ************          *          *
    APPROVED  A/C EXEC                        *CRED       *          *          *          *
                                              *           ************          *          *
    V.P.                                      *NET SALES  *          *          *          *
                                              *           ************          *          *
                                              *                                 *          *
                                              *PAST DUE   *          *          *          *
**********************************************                                  *          *
    ADDTL REC PROMISED                        *INELIGIBLE *          *          *          *
                                              *           ************          *          *
                                              *TOTAL NET  *          *          *          *
**********************************************                                  *          *
    MISSING RECEIPTS                          *LESS RESERVE*         *          *          *
**********************************************           ************************          *
    FIRST 60 / CHEC 70                        *CASH      $*                     *          *
**********************************************           ************************          *
    CHECK ISSUED                              *                                 *          *
**********************************************                                  ************

----------------------------------------------TOTAL AVAIL FOR ADVANCE-----------************
```

A 3068

```
09/14/71            655    DELUXE TOPPER 547 CVFL

ACCTS REC COLL BAL    09/01/71        8,403,547.
   SALES            . CRED
   IN PROCESS
   COLLECTIONS
   ADJUSTMENTS
GROSS COLLATERAL                                   8,403,547.
   INELIGIBLE                   08 19
   PAST DUE MORE THAN        DAYS09/144,470,436.
NET COLLATERAL                                     3,933,111.
   DISCOUNT      %
   EQUITY     20 %                   786,622.
                                                        A/C REC AVAILABILITY 3,146,489.
LOAN ACCOUNT BAL      09/01/71        9,000,000.
   ADVANCES
   NET COLLECTIONS
   ADJ               FC
                                                        CURRENT LOAN BALANCE 9,000,000.

                                                        OVERDRAFT            5,853,511.-DEB

OTHER COLLATERAL
                               % AVAILAB

                                                        OVERDRAFT            5,853,511.-DEB

                                    ADDITIONAL ITEMS NOT INCLUDED ABOVE

 AMOUNT REQUESTED  $                  SALES

 APPROVED  A/C EXEC                   CRED

 V.P.                                 NET SALES

                                      PAST DUE

 ADDIL REC PROMISED                   INELIGIBLE

                                      TOTAL NET

 MISSING RECEIPTS                     LESS RESERVE

 [illegible] / CHECKED                CASH       $

 [illegible] ISSUED

                                  TOTAL AVAIL FOR ADVANCE
```

A 3069

```
09/14/71            664    OVERFLOW ON ACCT. 667

ACCTS REC COLL BAL    09/01/71        6,995,494.
   SALES           . CRED
   IN PROCESS
   COLLECTIONS
   ADJUSTMENTS
GROSS COLLATERAL                                  6,995,494.
   INELIGIBLE                03/16
   PAST DUE MORE THAN     DAYS03/16
NET COLLATERAL                                    6,995,494.
   DISCOUNT       %
   EQUITY      20 %                   1,399,098.
                                                      A/C REC AVAILABILITY 5,596,396.
LOAN ACCOUNT BAL      09/01/71        5,000,000.
   ADVANCES
   NET COLLECTIONS
   ADJ             .  FC
                                                      CURRENT LOAN BALANCE 5,000,000.

                                                      AVAIL ON RECEIVABLES   596,396.

OTHER COLLATERAL
                                  % AVAILAB

                                                      TOTAL AVAILABILITY     596,396.

                                      ADDITIONAL ITEMS NOT INCLUDED ABOVE

 AMOUNT REQUESTED $                       SALES

 APPROVED A/C EXEC                        CRED

 V.P.                                     NET SALES


                                          PAST DUE

 ADDTL REC PROVISED                       INELIGIBLE

                                          TOTAL NET

 MISSING RECEIPTS                         LESS RESERVE

 [illegible] / CHECKED                    CASH      $

       [illegible]


                                    TOTAL AVAIL FOR ADVANCE
```

A 3070

```
09/14/71                 463     [illegible]

ACCTS REC COLL BAL    09/01/71       9,000,000.
    SALES           . CRED        .           .
    IN PROCESS                                .
    COLLECTIONS                               .
    ADJUSTMENTS                 .    .        .    9,000,000.
GROSS COLLATERAL
    INELIGIBLE                     01/31      .
    PAST DUE MORE THAN        DAYS09/145,000,000.  4,000,000.
NET COLLATERAL                 .    .       1
    DISCOUNT        %                         .
    EQUITY      20 %                  800,000.          A/C REC AVAILABILITY 3,200,000.

LOAN ACCOUNT BAL     09/01/71                 .
    ADVANCES                                  .
    NET COLLECTIONS                           .
    ADJ           .  FC         .             .         CURRENT LOAN BALANCE          .

                                                        AVAIL ON RECEIVABLES 3,200,000.

OTHER COLLATERAL              .                                                       .
                                   % AVAILAB
                                                        TOTAL AVAILABILITY   3,200,000.

                                           ADDITIONAL ITEMS NOT INCLUDED ABOVE
*****************************************************************************************
 AMOUNT REQUESTED  $                   *SALES     *
                                       *          ************
 APPROVED  A/C EXEC                    *CRED      *
                                       *          ************
 V.P.                                  *NET SALES *
                                       *          ************
                                       *PAST DUE  *
****************************************          *
 ADDTL REC PROMISED                    *INELIGIBLE*
                                       *          ************
                                       *TOTAL NET *
****************************************          *
 MISSING RECEIPTS                      *LESS RESERVE*
****************************************          **********************
 [illegible] / CHECKED                 *CASH      *
****************************************          **********************
 [illegible] ISSUED                                                    ***********
****************************************
                                        TOTAL AVAIL FOR ADVANCE        ***********
```

A 3071

```
  09/16/71              666    UNSHIPPED RIGHTS DE LUXE,TOPPER CORP

ACCTS REC COLL BAL     09/01/71  6r   2,181,873.
    SALES            . CRED   1,094.      1,094.-
    IN PROCESS                                 .
    COLLECTIONS                                .
    ADJUSTMENTS                 .    .   57,265.
GROSS COLLATERAL                                      2,238,044.
    INELIGIBLE                   08/19         .
    PAST DUE MORE THAN      DAYS09/14          .
NET COLLATERAL          .     .        1              2,239,044.
    DISCOUNT       %                           .
    EQUITY      50.%                  1,119,022.           A/C REC AVAILABILITY 1,119,022.

LOAN ACCOUNT BAL     09/01/71                  .
    ADVANCES                                   .
    NET COLLECTIONS                            .
    ADJ            .   FC          .           .           CURRENT LOAN BALANCE            .

                                                           AVAIL ON RECEIVABLES 1,119,022.

OTHER COLLATERAL             .                                                             .
                                      % AVAILAB

                                                           TOTAL AVAILABILITY   1,119,022.

                                            ADDITIONAL ITEMS NOT INCLUDED ABOVE
*************************************************************************************
  AMOUNT REQUESTED   $                    *SALES     *          *         *          *
                                          *          ************         *          *
  APPROVED  A/C EXEC                      *CRED      *          *         *          *
                                          *          ************         *          *
  V.P.                                    *NET SALES *          *         *          *
                                          *          ************         *          *
                                          *          *          *         *          *
                                          *PAST DUE  *          *         *          *
******************************************           *          *         *          *
                                          *INELIGIBLE*          *         *          *
  ADDTL REC PROMISED                      *          ************         *          *
                                          *TOTAL NET *          *         *          *
******************************************           *          *         *          *
  MISSING RECEIPTS                        *LESS RESERVE*        *         *          *
******************************************           **********************          *
  FIGURES / CHECKED                       *CASH     %*                    *          *
******************************************           **********************          *
  [illegible]                             *                               *          *
******************************************                                ************

                                            TOTAL AVAIL FOR ADVANCE       ************
```

A 3072

09/17/71 TOPPER 667

ACCTS REC COLL BAL 09/01/71 31,057,777
SALES . CRED 3,512,671
IN PROCESS 158,631
COLLECTIONS 2,030,194
ADJUSTMENTS 3,073,473
GROSS COLLATERAL 32,988,228.
INELIGIBLE 08/30 4,773,486.
PAST DUE MORE THAN DAYS 08/30 9,327,242.
NET COLLATERAL 18,887,500.
DISCOUNT %
EQUITY 20%. 3,777,500
A/C REC AVAILABILITY 15,110,000.

LOAN ACCOUNT BAL 09/01/71 [redacted]
ADVANCES
NET COLLECTIONS
ADJ . FC

13,117,404
~~[illegible]~~ ~~13,741,560~~
CURRENT LOAN BALANCE ~~[illegible]~~

AVAIL ON RECEIVABLES ~~[illegible]~~
1962596.

OTHER COLLATERAL
% AVAILAB
~~[illegible]~~
TOTAL AVAILABILITY ~~[illegible]~~ ~~[illegible]~~
1962596

ADDITIONAL ITEMS NOT INCLUDED ABOVE

AMOUNT REQUESTED $	SALES				
APPROVED A/C EXEC 250,000	CRED				
V.P.	NET SALES				
	PAST DUE		666	1120134	
APPTL REC PROMISED [illegible]	INELIGIBLE				
	TOTAL NET				
MISSING RECEIPTS	LESS RESERVE				
FIGURED / CHECKED	CASH	%			
CHECK ISSUED	Shortage			7,000,000	
	TOTAL AVAIL FOR ADVANCE			~~[illegible]~~ 3917270	

Revolving (119)
[illegible] 1000
561
[illegible] 3517
3036
[illegible] 3220
184
T Short

A 3073

F. EXH 635 RM
1/24/74

```
03/31/72             667            TOPPER CORPORATION                  L77.70   GROUP  8      03/31/72

ACCTS REC COLL BAL    09/01/71 863   6,660,736.
1144 SALES 3,695,770 /CRED 183,099./ 3,512,671./
1145 IN PROCESS 964/                   134,631./
1254 COLLECTIONS                     2,080,194./
     ADJUSTMENTS                      .307,343.
GROSS COLLATERAL                                  1,410,813.-
     INELIGIBLE                 08/314,773,496.
     PAST DUE MORE THAN 060 DAYS08/19          .
NET COLLATERAL                           1        6,184,299.-
     DISCOUNT      %                           .
     EQUITY      20.%                1,236,859.
                                                          A/C REC AVAILABILITY 7,421,158.-
LOAN ACCOUNT BAL      09/01/71       5,419,704.
     ADVANCES                        2,500,000.
     NET COLLECTIONS                 9,172,300.
     ADJ            FC                         .
                                                          CURRENT LOAN BALANCE   852,596. CR

                                                          OVERDRAFT            6,568,562.-DEB

OTHER COLLATERAL 6,915,349.
                              000 % AVAILAB               OTHER COLLATERAL             .

                                                          OVERDRAFT            6,568,562.-DEB

                                        ADDITIONAL ITEMS NOT INCLUDED ABOVE
*****************************************************************************************
 AMOUNT REQUESTED  $                   *SALES      *          *          *          *
                                       *           ************          *          *
 APPROVED  A/C EXEC                    *CRED       *          *          *          *
                                       *           ************          *          *
 V.P.                                  *NET SALES  *          *          *          *
                                       *           ************          *          *
                                       *           *          *          *          *
                                       *PAST DUE   *          *          *          *
***************************************            *          *          *          *
 ADDTL REC PROMISED                    *INELIGIBLE *          *          *          *
                                       *           ************          *          *
                                       *TOTAL NET  *          *          *          *
***************************************            *          *          *          *
 MISSING RECEIPTS                      *LESS RESERVE*         *          *          *
***************************************            ***********************          *
 EXPIRED / CHECKED                     *CASH      $*                     *          *
***************************************            ***********************          *
 CHECK  IS  AUD                        *                                 *          *
***************************************                                  ************

                                        TOTAL AVAIL FOR ADVANCE          ************
```

A 3074

```
[illegible]/71            665   DELUXE TOPPER 657 CVFL                                         GROUP  %          /  /

    ACCTS REC COLL BAL    09/01/71        8,403,547.
       SALES          . CRED          .            .
       IN PROCESS                             2,223.
       COLLECTIONS                                 .
       ADJUSTMENTS                .      .         .
    GROSS COLLATERAL                                /  8,405,770.
       INELIGIBLE                   09/19          .
       PAST DUE MORE THAN       DAYS09/314,327,242/
    NET COLLATERAL              .     .       1        4,078,528.
       DISCOUNT       %                            .
       EQUITY      20 %                     815,705.
                                                               A/C REC AVAILABILITY 3,262,823.
    LOAN ACCOUNT BAL      09/01/71        9,000,000.
       ADVANCES                                    .
       NET COLLECTIONS                             .
       ADJ            .     FC       .             .
                                                               CURRENT LOAN BALANCE 9,000,000.

                                                               OVERDRAFT            5,737,177.-DEB
    OTHER COLLATERAL            .
                                   % AVAILAB

                        .                       . .            OVERDRAFT            5,737,177.-DEB

                                               ADDITIONAL ITEMS NOT INCLUDED ABOVE
  ****************************************************************************************************
    AMOUNT REQUESTED  $                       *SALES         *         *         *           *
                                              *              ***********         *           *
    APPROVED  A/C EXEC                        *CRED          *         *         *           *
                                              *              ***********         *           *
    V.P.                                      *NET SALES     *         *         *           *
                                              *              ***********         *           *
                                              *              *         *         *           *
                                              *PAST DUE      *         *         *           *
  ********************************************               *         *         *           *
    ADDIL REC PROMISED                        *INELIGIBLE    *         *         *           *
                                              *              ***********         *           *
                                              *TOTAL NET     *         *         *           *
  ********************************************               *         *         *           *
    MISSING RECEIPTS                          *LESS RESERVE* *         *         *           *
  ********************************************               *********************           *
    FIGURED / CHECKED                         *CASH        %*                    *           *
  ********************************************               *********************           *
    CHECK ISSUED                              *                                  *           *
  ********************************************                                   *************

                                               TOTAL AVAIL FOR ADVANCE           *************
```

A 3075

```
 ACCTS REC COLL BAL     09/01/71       6,995,494.
    SALES            . CRED         .           .
    IN PROCESS                                  .
    COLLECTIONS                                 .
    ADJUSTMENTS                   .    .        .
 GROSS COLLATERAL                                  6,995,494.
    INELIGIBLE                   03/16          .
    PAST DUE MORE THAN      DAYS03/16           .
 NET COLLATERAL            .    .                  6,995,494.
    DISCOUNT       %                      !     .
    EQUITY      20 %                   1,399,098.
                                                          A/C REC AVAILABILITY 5,596,396.
 LOAN ACCOUNT BAL      09/01/71        5,000,000.
    ADVANCES                                    .
    NET COLLECTIONS                             .
    ADJ            .   FC          .            .
                                         .                CURRENT LOAN BALANCE 5,000,000.

                                                          AVAIL ON RECEIVABLES     596,396.

 OTHER COLLATERAL            .
                                     % AVAILAB

                                                          TOTAL AVAILABILITY       596,396.

                                               ADDITIONAL ITEMS NOT INCLUDED ABOVE
***************************************************************************************************
 AMOUNT REQUESTED $                       *SALES        *          *          *             *
                                          *             ************          *             *
 APPROVED  A/C EXEC                       *CRED '       *          *          *             *
                                          *             ************          *             *
 V.P.                                     *NET SALES    *          *          *             *
                                          *             ************          *             *
                                          *             *          *          *             *
                                          *PAST DUE     *.         *          *             *
*******************************************             *          *          *             *
 ADDTL REC PROMISED                       *INELIGIBLE   *          *          *             *
                                          *             ************          *             *
                                          *TOTAL NET    *          *          *             *
*******************************************             *          *          *             *
 MISSING RECEIPTS                         *LESS RESERVE*           *          *             *
*******************************************             ***********************             *
 FIGURED / CHECKED                        *CASH        %*                     *             *
*******************************************             ***********************             *
 CHECK ISSUED                             *                                   *             *
*******************************************                                   ***************

                                           TOTAL AVAIL FOR ADVANCE      .     ***************
```

A 3075

```
09/17/71            563   DE LUXE TOPPER OVERFLOW                                    GROUP

ACCTS REC COLL BAL    09/01/71       9,000,000.
   SALES            . CRED        .           .
   IN PROCESS                                 .
   COLLECTIONS                                .
   ADJUSTMENTS                 .    .         .
GROSS COLLATERAL                                     9,000,000.
   INELIGIBLE                 01/31           .
   PAST DUE MORE THAN     DAYS08/315,000,000.
NET COLLATERAL          .    .          !            4,000,000.
   DISCOUNT       %                           .
   EQUITY     20 %                     800,000.          A/C REC AVAILABILITY 3,200,000.

LOAN ACCOUNT BAL      09/01/71                .
   ADVANCES                                   .
   NET COLLECTIONS                            .
   ADJ           .    FC          .           .          CURRENT LOAN BALANCE         .

                                                         AVAIL ON RECEIVABLES 3,200,000.

OTHER COLLATERAL          .          % AVAILAB                                        .

                                                         TOTAL AVAILABILITY   3,200,000.

                                    ADDITIONAL ITEMS NOT INCLUDED ABOVE
                                    **************************************************
************************************************** *SALES       *          *         *          *
 AMOUNT REQUESTED  $                               *            ***********         *          *
                                                   *CRED        *          *         *          *
 APPROVED  A/C EXEC                                *            ***********         *          *
                                                   *NET SALES   *          *         *          *
 V.P.                                              *            ***********         *          *
                                                   *            *          *         *          *
                                                   *PAST DUE    *          *         *          *
************************************************** *            *          *         *          *
 ADDTL REC PROMISED                                *INELIGIBLE  *          *         *          *
                                                   *            ***********         *          *
                                                   *TOTAL NET   *          *         *          *
************************************************** *            *          *         *          *
 MISSING RECEIPTS                                  *LESS RESERVE*          *         *          *
************************************************** *            ********************          *
 FIGURED / CHECKED                                 *CASH     %*                     *          *
************************************************** *            ********************          *
 CHECK ISSUED                                      *                                ************
**************************************************

                                                   TOTAL AVAIL FOR ADVANCE          ************
```

A 3077

```
[illegible]/71             666   UNSHIPPED RIGHTS DE LUXE,TOPPER CORP

ACCTS REC COLL BAL     09/01/71 65   2,191,973.
64  SALES            . CRED    1,094.      1,094.-
      IN PROCESS
      COLLECTIONS
      ADJUSTMENTS                          57,265.
GROSS COLLATERAL                                      2,238,044.
      INELIGIBLE                   08/19
      PAST DUE MORE THAN       DAYS08/31
NET COLLATERAL                                        2,238,044.
      DISCOUNT         %
      EQUITY      50.%                  1,119,022.
                                                         A/C REC AVAILABILITY 1,119,022.
LOAN ACCOUNT BAL       09/01/71
      ADVANCES
      NET COLLECTIONS
      ADJ               FC
                                                         CURRENT LOAN BALANCE

                                                         AVAIL ON RECEIVABLES 1,119,022.
OTHER COLLATERAL
                                % AVAILAB

                                                         TOTAL AVAILABILITY   1,119,022.

                                          ADDITIONAL ITEMS NOT INCLUDED ABOVE
*****************************************************************************************
 AMOUNT REQUESTED  $                     *SALES,    *          *         *             *
                                         *          ************         *             *
 APPROVED  A/C EXEC                      *CRED      *          *         *             *
                                         *          ************         *             *
 V.P.                                    *NET SALES *          *         *             *
                                         *          ************         *             *
                                         *          *          *         *             *
                                         *PAST DUE  *          *         *             *
*****************************************          *          *         *             *
 ADDTL REC PROMISED                      *INELIGIBLE*          *466      *             *  NOT IN PROCESS
                                         *          ************ 2223    *  1112.      *
                                         *TOTAL NET *          * @ 50    *             *
*****************************************          *          *         *             *
 MISSING RECEIPTS                        *LESS RESERVE*        *         *             *
*****************************************          **********************             *
 FIGURED / CHECKED                       *CASH     %*                    *             *
*****************************************          **********************             *
 CHECK ISSUED                            *                               *             *
*****************************************                                ***************
                                                                           1113
                                 TOTAL AVAIL FOR ADVANCE                 ...............
```

A 3078

ACCTS REC COLL BAL 09/01/71 31,059.777
SALES . CRED . 3701.303
IN PROCESS
COLLECTIONS 2584.969
ADJUSTMENTS 247.257
GROSS COLLATERAL 32428370
INELIGIBLE 09/30 4773.486
PAST DUE MORE THAN / DAYS 09/30 9904,604
NET COLLATERAL 18,347282
DISCOUNT
EQUITY 20% 3669.456

A/C REC AVAILABILITY 14,677826

LOAN ACCOUNT BAL 09/01/71 ~~250,000~~
ADVANCES
NET COLLECTIONS
ADJ . EC

CURRENT LOAN BALANCE ~~250,000~~ 12,853.307

AVAIL ON RECEIVABLES ~~250,000~~ 1824.519

OTHER COLLATERAL % AVAILAB

TOTAL AVAILABILITY ~~~~ 1824519

ADDITIONAL ITEMS NOT INCLUDED ABOVE

AMOUNT REQUESTED
APPROVED ... EXEC 575,000
V.P.

ADDTL REC REQUESTED
GE 65%
S.L. 90%

MISSING RECEIPTS

FIGURED & CHECKED

CHECK ISSUED SEP 2 1971

SALES 1,74/7	1066.321			
CRED 2%	190		849.704	
NET SALES	1066.131			
	e 80	666	975.000	
PAST DUE				
INELIGIBLE				
TOTAL NET				
LESS RESERVE				
CASH				
			7000000	
			3350.777	

TOTAL AVAIL FOR ADVANCE

(14+)
Bottom 1000
650
(8351)
2495

A 3079

P. EXH 636
10/24/74

03/30/73 557 TOOPER CORPORATION / L77.70 GROUP 3 03/31/73

ACCTS REC COLL BAL 03/01/73 564 6,660,734.
1249 SALES 4,019,667./1250 200,339/ 3,701,393.
IN PROCESS .
1290 COLLECTIONS 2,506,060./
ADJUSTMENTS 267,259.
GROSS COLLATERAL 1,975,571.-
INELIGIBLE 08/314,773,486.
PAST DUE MORE THAN 060 DAYS08/19 1 .
NET COLLATERAL 6,749,157.-
DISCOUNT .
EQUITY 20 + 1,340,931.
A/C REC AVAILABILITY ~~8,000,000.-~~

LOAN ACCOUNT BAL 03/01/73 5,919,706.
ADVANCES 7,750,000.
NET COLLECTIONS 9,716,397.
ADJ . EC. . . .
CURRENT LOAN BALANCE 1,146,693. CR

OVERDRAFT . 6,952,295.-DER

OTHER COLLATERAL 6,955,371. 000 % AVAILAB
OTHER COLLATERAL .

OVERDRAFT 6,952,295.-DER

ADDITIONAL ITEMS NOT INCLUDED ABOVE

AMOUNT REQUESTED	SALES 3/1/7	1062.311	
APPROVED . A/C EXEC	CRED 26	171	
W.S. .	NET SALES		
	PAST DUE		
ADDTL REC ANALYSED	INELIGIBLE		
	TOTAL NET		
MISCELL RECEIPTS	LESS RESERVE		
FIGURED / CHECKED	CASH		
CHECK ISSUED			
	TOTAL AVAIL FOR ADVANCE		

A 3080

```
  ??/??/71        445    DELUXE TOPPER 667 OVEL                              GROUP 8      /  /

  ACCTS REC COLL BAL    09/01/71        9,403,547.
     SALES           . CRED          .            .
66   NET INVOICES                           2,223./      .
     COLLECTIONS                                .
     ADJUSTMENTS                                .
  GROSS COLLATERAL                                      9,405,770.
     INELIGIBLE                   08/19         .
     PAST DUE MORE THAN       DAYS08/314,327,242.
  NET COLLATERAL                                        4,078,528.
     DISCOUNT         .                         .
     EQUITY        20 %                   915,775.
                                                             A/C REC AVAILABILITY 3,262,823.
  LOAN ACCOUNT BAL      09/01/71        9,000,000.
     ADVANCES                                   .
     NET COLLECTIONS                            .
     ADJ          .    CC         .      .      . .
                                                             CURRENT LOAN BALANCE 9,000,000.

                                                             OVERDRAFT                5,737,177.-DEB

  OTHER COLLATERAL               .
                                    * AVAILAB                                       .

                                                . .          OVERDRAFT          .     5,737,177.-DEB

                                                       2113
                                             ADDITIONAL ITEMS NOT INCLUDED ABOVE
 ***********************************************************************************************
   AMOUNT REQUESTED   *                     *SALES  (8/6)  * 17.2    *          *              *
                                            *              ***********          *              *
   APPROVED   A/C EXEC                      *CRED          *    2    *          *              *
                                            *              ***********          *              *
   V.P.                                     *NET SALES     *         *          *              *
                                            *    .         ***********          *              *
                                            *    .         *   .     *          *              *
                                            *PAST DUE      *         *          *              *
 ********************************************              *         *          *              *
   APPROVED OR DENIED                       *INELIGIBLE    *         *          *              *
                                            *              ***********          *              *
                                            *TOTAL NET     *         *          *              *
 ********************************************              *         *          *              *
   MISSING RECEIPTS                         *LESS RESERVE  *         *          *              *
 ********************************************              **********************              *
   REVIEWED / CHECKED                       *CASH         **                    *              *
 ********************************************              **********************              *
   CHECK ISSUED                             *                                   *              *
 ********************************************                                   ****************

                                             TOTAL AVAIL FOR ADVANCE            ****************
```

A 3081

```
03/23/71          666    OVERFLOW ON ACCT. 667                                          GROUP                 / /

   ACCTS REC COLL BAL     03/01/71        6,095,696.
      SALES   .             .0250           .         .
      RET DISCOUNTS                                   .
      COLLECTIONS                                     .
      ADJUSTMENTS                                     .
   GROSS COLLATERAL                                   .     6,095,696.
      INELIGIBLE                       03/16          .
      PAST DUE MORE THAN          DAYS03/16           .
   NET COLLATERAL                                 1         6,095,696.
      DISCOUNT        *                               .
      EQUITY       23 *                1,300,000.
                                                              A/C REC AVAILABILITY 5,596,396.
   LOAN ACCOUNT BAL       03/01/71        5,000,000.
      ADVANCES                                        .
      NET COLLECTIONS                                 .
      4.01          .    EE          .                .
                                                              CURRENT LOAN BALANCE 5,000,000.

                                                              AVAIL ON RECEIVABLES    596,396.

   OTHER COLLATERAL            .         * AVAILAB
                                                                                            .
                                                              TOTAL AVAILABILITY .    596,396.


                                                   ADDITIONAL ITEMS NOT INCLUDED ABOVE
*************************************************************************************************
   AMOUNT REQUESTED  *                        *SALES      *           *            *            *
                                              *     .     ***********              *            *
   APPROVED  A/C EXEC                         *CRED       *           *            *            *
                                              *           ***********              *            *
   V.P.                                       *NET SALES  *           *            *            *
                                              *           ***********              *            *
                                              *     .     *           *            *            *
                                              *PAST DUE   *           *            *            *
********************************************  *           *           *            *            *
   [illegible]                                *INELIGIBLE *           *            *            *
                                              *           ***********              *            *
                                              *TOTAL NET  *           *            *            *
********************************************  *           *           *            *            *
   [illegible]                                *LESS RESERVE*          *            *            *
********************************************  *           **************************            *
   [illegible]                                *CASH     30                         *            *
********************************************  *           **************************            *
   [illegible]                                *                                    *            *
********************************************                                       **************

                                              TOTAL AVAIL FOR ADVANCE              **************
```

A 3082

```
ACCTS REC COLL BAL  09/01/71        9,000,000.
   SALES  .           . CRED       .          .
   IN PROCESS                                 .
   COLLECTIONS                                .
   ADJUSTMENTS                                .
GROSS COLLATERAL                                  9,000,000.
   INELIGIBLE                  01/31          .
   PAST DUE MORE THAN      DAYS08/315,000,000.
NET COLLATERAL                      1              6,000,000.
   DISCOUNT         %                         .
   EQUITY        20 %                  800,000.
                                                      A/C REC AVAILABILITY 3,200,000.
LOAN ACCOUNT BAL     09/01/71                 .
   ADVANCES                                   .
   NET COLLECTIONS                            .
   ADJ              .   EC         .          .

                                                      CURRENT LOAN BALANCE           .

                                                      AVAIL ON RECEIVABLES 3,200,000.
OTHER COLLATERAL              .
                                 % AVAILAB

                                                      TOTAL AVAILABILITY   3,200,000.

                                        ADDITIONAL ITEMS NOT INCLUDED ABOVE
*************************************************************************************
  AMOUNT REQUESTED  $                 *SALES     *          *          *          *
                                      *          ***********           *          *
  APPROVED  A/C EXEC                  *CRED      *          *          *          *
                                      *          ***********           *          *
  V.P.                                *NET SALES *          *          *          *
                                      *          ***********           *          *
                                      *          *          *          *          *
                                      *PAST DUE  *          *          *          *
***************************************          *          *          *          *
  APPL [illegible] APPRAISED          *INELIGIBLE*          *          *          *
                                      *          ***********           *          *
                                      *TOTAL NET *          *          *          *
***************************************          *          *          *          *
  [illegible]                         *LESS RESERVE*        *          *          *
***************************************************************************       *
  [illegible]                         *CASH     %*                     *          *
***************************************          ***********************          *
  [illegible]                         *                                *          *
***************************************                                ************

                                     TOTAL AVAIL FOR ADVANCE           *************
```

A 3083

```
   [illegible]          566    UNSHIPPED RIGHTS DE LUXE,TOPPER CORP                          / /

  ACCTS REC COLL BAL     09/21/71 65  2,191,973.
64  SALES            . CRED   1,094./      1,094.-
      IN PROCESS                                .
      COLLECTIONS                               .
      ADJUSTMENTS                         57,265.
  GROSS COLLATERAL                                       2,238,044.
      INELIGIBLE                   08/19        .
      PAST DUE MORE THAN       DAYS08/31        .
  NET COLLATERAL                              1          2,238,044.
      DISCOUNT         .                        .
      EQUITY      50 %.                1,119,022.
                                                                  A/C REC AVAILABILITY 1,119,022.
  LOAN ACCOUNT BAL       09/21/71               .
      ADVANCES                                  .
      NET COLLECTIONS                           .
      ADJ              .    EC         .        .
                                                                  CURRENT LOAN BALANCE          .

                                                                  AVAIL ON RECEIVABLES 1,119,022.
  OTHER COLLATERAL              .
 .                                  % AVAILAB                                                  .

                          .                          . .          TOTAL AVAILABILITY   1,119,022.

                                               ADDITIONAL ITEMS NOT INCLUDED ABOVE
**********************************************************************************************
  AMOUNT REQUESTED   $                   *SALES         *         *         *         *
                                         *      $       ***********         *         *
  APPROVED  A/C EXEC                     *CRED          *         *         * (      )*
                                         *              ***********         *         *
  M.O.                                   *NET SALES     *         *         *         *
                                         *              ***********         *         *
                                         *              *         *         *         *
                                         *PAST DUE      *         *         *         *
*****************************************               *         *         *         *
  ADDL ADV APPROVED                      *INELIGIBLE    *         *         *         *
                                         *              ***********         *         *
                                         *TOTAL NET   , *         *         *         *
*****************************************               *         *         *         *
  MISSING RECEIPTS                       *LESS RESERVE* *         *         *         *
*****************************************               *********************         *
  CREDIT / CHECKED                       *CASH        $ *                   *         *
*****************************************               *********************         *
  [illegible]                            *                                  *         *
*****************************************                                   ***********

                                         TOTAL AVAIL FOR ADVANCE            ***********
```

A 3084

TOPPER 667

09/01/71

ACCTS REC COLL BAL 09/01/71 31059777.
SALES . CRED . 3701303.
IN PROCESS 1138055.
COLLECTIONS 2694230.
ADJUSTMENTS 247259. 33452164.
GROSS COLLATERAL
INELIGIBLE CR/30477345C.
PAST DUE MORE THAN DAYSOP/30435260%. 19376076.
NET COLLATERAL
DISCOUNT
EQUITY . 20.% 3375215 . A/C REC AVAILABILITY/15500861.

LOAN ACCOUNT BAL 09/01/71 . [illegible] CR
ADVANCES
NET COLLECTIONS
ADJ . FC .

CURRENT LOAN BALANCE ~~[illegible]~~ 13326813

AVAIL ON RECEIVABLES ~~[illegible]~~ 2174048

OTHER COLLATERAL . % AVAILAB

TOTAL AVAILABILITY ~~[illegible]~~ 2174048

ADDITIONAL ITEMS NOT INCLUDED ABOVE

AMOUNT REQUESTED $ 100,000

APPROVED A/C EXEC

V.P.

ADDTL REC PROMISED

MISSING RECEIPTS

FINANCIAL STATEMENT

LAST INSPECTION 1971

SALES		
CRED		
NET SALES		
PAST DUE	1241	1,000,000
INELIGIBLE	666	1119022
TOTAL NET		144000
LESS RESERVE		
CASH $	RESERVE	7000000
		[illegible] 2357934

TOTAL AVAIL FOR ADVANCE .

637 RD

P. EXH

10/24/74

A 3085

```
                                                                   L67.20   GROUP  3          [illegible]
  09/21/71             667    TOPPER CORPORATION

  ACCTS REC COLL BAL      09/01/71 364  6,660,736.
1245 SALES 3,919,542./CRED 209,339./    3,701,303.
[illegible]-1245 IN PROCESS 865         ~~138,055.~~ /   1138055
1241  COLLECTIONS                       2,694,230./
      ADJUSTMENTS                         247,259.
  GROSS COLLATERAL                                     1,946,877.-
      INELIGIBLE                  08/314,773,486.
      PAST DUE MORE THAN 060 DAYS08/19
  NET COLLATERAL                                       6,720,363.-
      DISCOUNT         %
      EQUITY        20 %                1,344,072.          A/C REC AVAILABILITY 8,064,435.-

  LOAN ACCOUNT BAL       09/01/71       5,819,704.
      ADVANCES                          3,325,000./
      NET COLLECTIONS                   9,917,891.
      ADJ                FC                                 CURRENT LOAN BALANCE    673,187. CR

                                                            OVERDRAFT                7,391,248.-DEB

  OTHER COLLATERAL 6,540,615.                               OTHER COLLATERAL
                              000 % AVAILAB
                                                            OVERDRAFT                7,391,248.-DEB

                                              ADDITIONAL ITEMS NOT INCLUDED ABOVE
     **********************************************************************************************
     AMOUNT REQUESTED  $                  *SALES'      *************   *              *
                                          *            *************   *              *
     APPROVED  A/C EXEC                   *CRED        *************   *              *
                                          *            *************   *              *
     V.P.                                 *NET. SALES  *************   *              *
                                          *            *           *   *              *
                                          *PAST DUE    *           *   *              *
    **************************************             *           *   *              *
     ADDTL REC PROMISED                   *INELIGIBLE  *************   *              *
                                          *TOTAL NET   *           *   *              *
     **************************************            *           *   *              *
     MISSING RECEIPTS                     *LESS RESERVE****************               *
     **************************************                            *              *
     FIGURED / CHECKED                    *CASH      %****************                *
     **************************************                           *               *
     CHECK ISSUED                         *                           *****************
     **************************************
                                          TOTAL AVAIL FOR ADVANCE     *****************
```

A 3085

```
  09/21/71            665    TOPPER CORPORATION                                   L10.00   GROUP  3          /  /

     ACCTS REC COLL BAL   09/01/71          8,403,547.
66     SALES     2,223./CRED                    2,223.
67 69  IN PROCESS                              30,508./
       COLLECTIONS                                  .
       ADJUSTMENTS                                  .
     GROSS COLLATERAL                                    8,436,278.
       INELIGIBLE                   08/19           .
       PAST DUE MORE THAN C60 DAYS09/204,302,602.
     NET COLLATERAL                                      4,133,676.
       DISCOUNT                                     .
       EQUITY         75 %                  3,100,257.
                                                                 A/C REC AVAILABILITY 1,033,419.
     LOAN ACCOUNT BAL      09/01/71         9,000,000.
       ADVANCES                                     .
       NET COLLECTIONS                              .
       ADJ              .    FC                     .
                                                                 CURRENT LOAN BALANCE 9,000,000.

                                                                 OVERDRAFT            7,966,581.-DEB
     OTHER COLLATERAL
                                  % AVAILAB

                                                                 OVERDRAFT            7,966,581.-DEB

                                             ADDITIONAL ITEMS NOT INCLUDED ABOVE
   **********************************************************************************************
     AMOUNT REQUESTED  $                    *SALES      *         *         *            *
                                            *           ***********         *            *
     APPROVED  A/C EXEC                     *CRED       *         *         *            *
                                            *           ***********         *            *
     V.P.                                   *NET SALES  *         *         *            *
                                            *           ***********         *            *
                                            *           *         *         *            *
                                            *PAST DUE   *         *         *            *
   *****************************************                                *            *
     ADDTL REC PROMISED                     *INELIGIBLE *         *         *            *
                                            *           ***********         *            *
                                            *TOTAL NET  *         *         *            *
   *****************************************                                *            *
     MISSING RECEIPTS                       *LESS RESERVE*        *         *            *
   ******************************************************************************        *
     FIGURED / CHECKED                      *CASH      %*                   *            *
   ******************************************************************************        *
     CHECK ISSUED                           *                                            *
   *****************************************                                **************

                                          TOTAL AVAIL FOR ADVANCE ________  **************
```

A-3087

```
ACCTS REC COLL BAL     09/01/71        6,995,494.
    SALES              . CRED
    IN PROCESS
    COLLECTIONS
    ADJUSTMENTS
GROSS COLLATERAL
    INELIGIBLE                    03/16             6,995,494.
    PAST DUE MORE THAN        DAYS03/16
NET COLLATERAL
    DISCOUNT      %                                 6,995,494.
    EQUITY     20 %                   1,399,098.
                                                              A/C REC AVAILABILITY 5,596,396.
LOAN ACCOUNT BAL      09/01/71        5,000,000.
    ADVANCES
    NET COLLECTIONS
    ADJ              .   FC
                                                              CURRENT LOAN BALANCE 5,000,000.

OTHER COLLATERAL                                              AVAIL ON RECEIVABLES    596,396.
                                   % AVAILAB

                                                              TOTAL AVAILABILITY      596,396.

                                                     ADDITIONAL ITEMS NOT INCLUDED ABOVE
*****************************************************************************************************
  AMOUNT REQUESTED  $                        *SALES     *          *          *           *
                                             *          ************          *           *
  APPROVED  A/C EXEC                         *CRED      *          *          *           *
                                             *          ************          *           *
  V.P.                                       *NET SALES *          *          *           *
                                             *          ************          *           *
                                             *          *          *          *           *
                                             *PAST DUE  *          *          *           *
*********************************************           *          *          *           *
  ADDTL REC PROMISED                         *INELIGIBLE*          *          *           *
                                             *          ************          *           *
                                             *TOTAL NET *          *          *           *
*********************************************           *          *          *           *
  MISSING RECEIPTS                           *LESS RESERVE*        *          *           *
*********************************************           *********************           *
  FIGURED / CHECKED                          *CASH         $*                 *           *
*********************************************           *********************           *
  CHECK ISSUED                               *                                *           *
*********************************************                                 *************
------------------------------------------TOTAL AVAIL FOR ADVANCE------------ *************
```

A 3088

```
                                                                                   GROUP  3
   09/01/71            663   DE LUXE TOPPER *OVERFLOW

ACCTS REC COLL BAL   09/01/71        9,000,000.
   SALES              . CRED
   IN PROCESS
   COLLECTIONS
   ADJUSTMENTS                                   9,000,000.
GROSS COLLATERAL
   INELIGIBLE                     01/31
   PAST DUE MORE THAN       DAYS09/205,000,000.
NET COLLATERAL                                   4,000,000.
   DISCOUNT        %
   EQUITY       20 %                  800,000.         A/C REC AVAILABILITY 3,200,000.

LOAN ACCOUNT BAL     09/01/71
   ADVANCES
   NET COLLECTIONS
   ADJ            .   FC                               CURRENT LOAN BALANCE

                                                       AVAIL ON RECEIVABLES 3,200,000.

OTHER COLLATERAL                  % AVAILAB

                                                       TOTAL AVAILABILITY    3,200,000.

                                            ADDITIONAL ITEMS NOT INCLUDED ABOVE
     ***********************************************************************
     AMOUNT REQUESTED  $                  *SALES       *          *        *         *
                                          *            ************        *         *
     APPROVED   A/C EXEC                  *CRED        *          *        *         *
                                          *            ************        *         *
     V.P.                                 *NET SALES   *          *        *         *
                                          *            ************        *         *
                                          *            *          *        *         *
                                          *PAST DUE    *          *        *         *
     ************************************ *            *          *        *         *
     ADDTL REC PROMISED                   *INELIGIBLE  *          *        *         *
                                          *            ************        *         *
                                          *TOTAL NET   *          *        *         *
     ************************************ *            *          *        *         *
     MISSING RECEIPTS                     *LESS RESERVE*          *        *         *
     ************************************ *            *********************         *
     FIGURED / CHECKED                    *CASH       $*                   *         *
     ************************************ *            *********************         *
     CHECK ISSUED                         *                                **********
     ************************************
                                       TOTAL AVAIL FOR ADVANCE             **********
```

A 3089

```
09/01/71          665    TOPPER CORPORATION                              L10.00

ACCTS REC COLL BAL    09/01/71 65 / 2,181,873.
   SALES        . CRED    1,094 ✓      1,094.-
   IN PROCESS                               .
   COLLECTIONS                              .
   ADJUSTMENTS                        57,265.
GROSS COLLATERAL                                2,238,044.
   INELIGIBLE                  08/19        .
   PAST DUE MORE THAN 030 DAYS09/20         .
NET COLLATERAL                                  2,238,044.
   DISCOUNT        %                        .
   EQUITY       50 %               1,119,022.
                                                       A/C REC AVAILABILITY 1,119,022.
LOAN ACCOUNT BAL      09/01/71              .
   ADVANCES                                 .
   NET COLLECTIONS                          .
   ADJ         .     FC          .          .
                                                       CURRENT LOAN BALANCE          .

                                                       AVAIL ON RECEIVABLES 1,119,022.

 OTHER COLLATERAL          .        % AVAILAB

                                                       TOTAL AVAILABILITY   1,119,022.

                                   ADDITIONAL ITEMS NOT INCLUDED ABOVE
```

AMOUNT REQUESTED $	*SALES	
APPROVED A/C EXEC	*CRED	
V.P.	*NET SALES	
	*PAST DUE	
ADDTL REC PROMISED	*INELIGIBLE	
	*TOTAL NET	
MISSING RECEIPTS	*LESS RESERVE*	
FIGURED / CHECKED	*CASH	%
CHECK ISSUED		

TOTAL AVAIL FOR ADVANCE

A 3090

09/22/71 765 — [illegible]LITHOGRAPHY CORPORATION L04.25 04/30/72

ACCTS REC COLL BAL 09/01/71 22,656 23
SALES CRED 4137 318
IN PROCESS 2765.534
COLLECTIONS 4122240 349 77
ADJUSTMENTS 4128.84 2~~7,082~~ — 29209.238
GROSS COLLATERAL
INELIGIBLE 06/30 170 083
PAST DUE MORE THAN 060 DAYS 06/30 9 302,602 19,767.55%
NET COLLATERAL
DISCOUNT %
EQUITY 20 % 3953.51
A/C REC AVAILABILITY 15,814 044.

LOAN ACCOUNT BAL 09/01/71
ADVANCES
NET COLLECTIONS
ADJ FC

CURRENT LOAN BALANCE 13,356.594.

AVAIL ON RECEIVABLES 2,457.415.

OTHER COLLATERAL % AVAILAB

TOTAL AVAILABILITY 2457.415.

ADDITIONAL ITEMS NOT INCLUDED ABOVE

AMOUNT REQUESTED $ 100,000
APPROVED A/C EXEC
V.P.
AMOUNT [illegible]

SALES
CRED
NET SALES
PAST DUE
INELIGIBLE
TOTAL NET
LESS RESERVE
CASH

P.H. -- 1,000,00
RU 968229
7000.00%
2574316 —

TOTAL AVAIL FOR ADVANCE

OK

A 3091

P. EXH 638 EG
10/24/74

09/22/71 668 TOPPER CORP OVERFLOW

ACCTS REC COLL BAL 09/01/71 ~~8,403,547.~~

SALES . CRED

IN PROCESS

COLLECTIONS . 8,403,547. — Jake J.E.

ADJUSTMENTS ~~8,807,094.~~ 8,403,547

GROSS COLLATERAL

INELIGIBLE 09/22

PAST DUE MORE THAN 060 DAYS 09/22 4,302,602. ~~2,504,492.~~ 4,100,945

NET COLLATERAL

DISCOUNT 820,189.

EQUITY 75 % 20% ~~1,878,369.~~ A/C REC AVAILABILITY 3280756 ~~626,123.~~

LOAN ACCOUNT BAL 09/01/71 9,000,000. ✓

ADVANCES

NET COLLECTIONS

ADJ . FC

Have changed.

CURRENT LOAN BALANCE 9,000,000.

OVERDRAFT ~~8,373,877.~~-DEB 5,719,244 DEB

OTHER COLLATERAL % AVAILAB

OVERDRAFT ~~8,373,877.~~-DEB 5,719,244 DEB

✓

ADDITIONAL ITEMS NOT INCLUDED ABOVE

AMOUNT REQUESTED $

APPROVED A/C EXEC

V.P.

AMOUNT REC RECEIVED

MISSING RECEIPTS

FIGURED / CHECKED

CHECK ISSUED

*SALES

*CRED

*NET SALES

*PAST DUE

*INELIGIBLE

*TOTAL NET

LESS RESERVE

*CASH

TOTAL AVAIL FOR ADVANCE

A 3092

09/22/71 665 BILL AND HOLD L10.00 GROUP %

ACCTS REC COLL BAL 09/01/71 8,403 547.
6-1 SALES 31,396. CRED 31,396.
IN PROCESS 1,336.
COLLECTIONS
ADJUSTMENTS 3,579,995.- 4856284 — ~~3,547,263.-~~
GROSS COLLATERAL
INELIGIBLE 08/19
PAST DUE MORE THAN 060 DAYS09/20 4856284 ~~3,547,263.-~~
NET COLLATERAL
DISCOUNT
EQUITY 75 % 3643 213 ~~2,660,447.~~

A/C REC AVAILABILITY 1 214 071 ~~8,207,710.-~~

LOAN ACCOUNT BAL 09/01/71
ADVANCES
NET COLLECTIONS
ADJ FC

CURRENT LOAN BALANCE
OVERDRAFT 1 214 071 ~~6,207,710.~~-DEB

OTHER COLLATERAL % AVAILAB

OVERDRAFT 1214,071 ~~6,207,710.~~-DEB

Limit 1,000,000.

A 3093

ADDITIONAL ITEMS NOT INCLUDED ABOVE

AMOUNT REQUESTED $

APPROVED A/C REC

V.P.

ADDIT. REC PURCHASED

MISSING SCHEDULES

FIELD / CHECKED

OTHER ISSUES

SALES
CRED
NET SALES
PAST DUE
INELIGIBLE
TOTAL NET
LESS RESERVE
CASH

TOTAL AVAIL FOR ADVANCE

```
09/27/71            664    OVERFLOW ON ACCT. 667                                        GROUP  %     / /

ACCTS REC COLL BAL    09/01/71        6,995,494.
    SALES            . CRED
    IN PROCESS
    COLLECTIONS
    ADJUSTMENTS
GROSS COLLATERAL                                          6,995,494.
    INELIGIBLE                      03/16
    PAST DUE MORE THAN         DAYS03/16
NET COLLATERAL                                            6,995,494.
    DISCOUNT         %
    EQUITY      20 %.                 1,399,098.
                                                                A/C REC AVAILABILITY 5,596,396.
LOAN ACCOUNT BAL      09/01/71        5,000,000.
    ADVANCES
    NET COLLECTIONS
    ADJ              .    FC
                                                                CURRENT LOAN BALANCE 5,000,000.

                                                                AVAIL ON RECEIVABLES    596,396.

OTHER COLLATERAL                  % AVAILAB

                                                                TOTAL AVAILABILITY      596,396.

                                              ADDITIONAL ITEMS NOT INCLUDED ABOVE
    **************************************************************************************************
    AMOUNT REQUESTED  $                    *SALES        *           *          *                *
                                           *             ************           *                *
    APPROVED  A/C EXEC                     *CRED         *           *          *                *
                                           *             ************           *                *
    V.P.                                   *NET SALES    *           *          *                *
                                           *             ************           *                *
                                           *             *           *          *                *
                                           *PAST DUE     *           *          *                *
    ***************************************              *           *          *                *
    ADDTL REC PROMISED                     *INELIGIBLE   *           *          *                *
                                           *             ************           *                *
                                           *TOTAL NET    *           *          *                *
    ***************************************              *           *          *                *
    MISSING RECEIPTS                       *LESS RESERVE*************************                *
    ***************************************                                     *                *
    FIGURED / CHECKED                      *CASH        %************************                *
    ***************************************                                     *                *
    CHECK ISSUED                           *                                    ******************
    ***************************************

                                          TOTAL AVAIL FOR ADVANCE               ******************
```

✓

A 3094

```
09/22/71            663

ACCTS REC COLL BAL   09/01/71        9,000,000.
   SALES              . CRED        .          .
   IN PROCESS                                  .
   COLLECTIONS                                 .
   ADJUSTMENTS                                 .
GROSS COLLATERAL                                   9,000,000.
   INELIGIBLE                  01/31           .
   PAST DUE MORE THAN      DAYS09/205,000,000.
NET COLLATERAL                           I        4,000,000.
   DISCOUNT        %                           .
   EQUITY       20 %                  800,000.
                                                       A/C REC AVAILABILITY 3,200,000.

LOAN ACCOUNT BAL     09/01/71                  .
   ADVANCES                                    .
   NET COLLECTIONS                             .
   ADJ             .    FC          .          .
                                                       CURRENT LOAN BALANCE            .

                                                       AVAIL ON RECEIVABLES 3,200,000.

OTHER COLLATERAL            .                                                          .
                                  % AVAILAB

                                                       TOTAL AVAILABILITY   3,200,000.

                                               ADDITIONAL ITEMS NOT INCLUDED ABOVE
   **************************************************************************************
   AMOUNT REQUESTED  $                        *SALES      *          *         *         *
                                              *           ************         *         *
   APPROVED  A/C  XEC                         *CRED       *          *         *         *
                                              *           ************         *         *
   V.P.                                       *NET SALES  *          *         *         *
                                              *           ************         *         *
                                              *           *          *         *         *
                                              *PAST DUE   *          *         *         *
   ********************************************           *          *         *         *
   ADDTL REQ PROCESSED                        *INELIGIBLE *          *         *         *
                                              *           ************         *         *
                                              *TOTAL NET  *          *         *         *
   ********************************************           *          *         *         *
   MISSING RECEIPTS                           *LESS RESERVE*                   *         *
   ********************************************           **********************         *
   FIGURED / CHECKED                          *CASH ____ __$*                  *         *
   ********************************************           **********************         *
   CHECK ISSUED                               *                                *         *
   ********************************************                                ***********

                                               TOTAL AVAIL FOR ADVANCE ______  ***********
```

✓

A 3095

```
09/22/71              666     TOPPER CORPORATION                               L10.00

ACCTS REC COLL BAL    09/01/71          2,181,873.
   SALES          . CRED   1.094.          1.094.-
   IN PROCESS                                   .
   COLLECTIONS                                  .
   ADJUSTMENTS                           244,321.-
GROSS COLLATERAL                                      1,936,458.
   INELIGIBLE                     08/19         .
   PAST DUE MORE THAN 030 DAYS09/20             .
NET COLLATERAL                                        1,936,458.
   DISCOUNT          %                          .
   EQUITY        50  %                   968,229.
                                                          A/C REC AVAILABILITY     968,229.
LOAN ACCOUNT BAL      09/01/71                  .
   ADVANCES                                     .
   NET COLLECTIONS                              .
   ADJ              .     FC         .          .
                                                          CURRENT LOAN BALANCE           .

                                                          AVAIL ON RECEIVABLES     968,229.
.OTHER COLLATERAL              .
                                   % AVAILAB                                             .

                                                          TOTAL AVAILABILITY       968,229.

                                              ADDITIONAL ITEMS NOT INCLUDED ABOVE
  ********************************************************************************************************
  AMOUNT REQUESTED  $                     *SALES       *         *         *              *
                                          *            ***********         *              *
  APPROVED L/O. EXEC                      *CRED        *         *         *              *
                                          *            ***********         *              *
  V.P.                                    *NET SALES   *         *         *              *
                                          *            ***********         *              *
                                          *            *         *         *              *
                                          *PAST DUE    *         *         *              *
  *****************************************            *         *         *              *
  AUDIT REC PROMISED                      *INELIGIBLE  *         *         *              *
                                          *            ***********         *              *
                                          *TOTAL NET   *         *         *              *
  *****************************************            *         *         *              *
  MISSING ITEMS                           *LESS RESERVE*         *         *              *
  *****************************************            *********************              *
  FINANCIAL / CHECKED                     *CASH        %                   *              *
  *****************************************            *********************              *
  CHECK ISSUED                            *                                *              *
  *****************************************                                ****************

                                         TOTAL AVAIL FOR ADVANCE           ****************
```

6

✓

Limit
1,000,000.-

A 3096

```
09/23/71 7-1-71 [redacted] CLIENTS L C ACCEPTANCE

ACCTS REC COLL BAL     09/01/71      31,059.777 .
   SALES .            . CRED        . 5188 727 .
   IN PROCESS                          131. 245 .
   COLLECTIONS                        7983 844 .
   ADJUSTMENTS                        4274 701 -
GROSS COLLATERAL                                   29121.200.
   INELIGIBLE                  08/30 138083 .
   PAST DUE MORE THAN      DAYS08/30 9302602 .
NET COLLATERAL                         1           19,680,515.
   DISCOUNT          %                        .
   EQUITY        20  %          3,936103 :
                                                         A/C REC AVAILABILITY 15,744412.
LOAN ACCOUNT BAL       09/01/71              .
   ADVANCES                                  .
   NET COLLECTIONS                           .
   ADJ            .   FC          .          .
                                                         CURRENT LOAN BALANCE 13,367,771 .

                                                         AVAIL ON RECEIVABLES 2,376.641 ..

 . OTHER COLLATERAL         .
                                 % AVAILAB                                        .

                                                         TOTAL AVAILABILITY 2376.641 .

                                          ADDITIONAL ITEMS NOT INCLUDED ABOVE
*****************************************************************************************
  AMOUNT REQUESTED  $               *SALES          *          *          *
                                    *               ************          *
  APPROV BY A/C EXEC  100,000       *CRED           *          *          *
                                    *               ************          *
  V.P.   80                         *NET SALES      *          *          *
                                    *               ************          *  468.224   *
                 No                 *               *          *  666     *
                                    *PAST DUE       *          *          *
************************************                *          *  618     * 1,000.000  *  Limr
  AVAIL PRE PRINTED                 *INELIGIBLE     *          *          *
                                    *               ************          *
                                    *TOTAL NET      *          *          *
************************************                *          *          *
  MISSING RECEIPTS                  *LESS RESERVE   *          *          *
************************************                ***********************
  FIGURES CHECKED                   *CASH          **                     *
************************************                ***********************
  CHECK ISSUED                      *                           never     * 7,000.00   *
************************************                                      **************
```

P. EXH 639 CV

10/24/74

A 3095

```
09/23/71                 557    TOPPER CORPORATION
                                  361
   ACCTS REC COLL BAL      09/01/71        6,660,736.
7/271  SALES 5,398,259. CRED 209,530.      5,188,729.
/252   IN PROCESS                            131,245.
/273   COLLECTIONS                         2,983,844.
       ADJUSTMENTS                         4,274,707.-
   GROSS COLLATERAL                                      5,277,841.-
       INELIGIBLE                 09/22      138,083.
       PAST DUE MORE THAN 060 DAYS08/19              .
   NET COLLATERAL                                        5,415,924.-
       DISCOUNT         %
       EQUITY        20 %                  1,083,184.            A/C REC AVAILABILITY 6,499,108.-

   LOAN ACCOUNT BAL        09/01/71        5,819,704.
       ADVANCES                            3,525,000.
       NET COLLECTIONS                     9,976,933.
       ADJ            .     FC     .                 .           CURRENT LOAN BALANCE   632,229. CR

                                                                 OVERDRAFT                5,866,879.-DEB

   OTHER COLLATERAL 6,586,979.       000 % AVAILAB               OTHER COLLATERAL -

                                                                 OVERDRAFT                5,866,879.-DEB

                                               ADDITIONAL ITEMS NOT INCLUDED ABOVE
   ***************************************************************************************
     AMOUNT  [illegible]             *SALES      *          *          *          *
                                     *           ************          *          *
     APPROVED  A/C  [illegible]      *CRED       *          *          *          *
                                     *           ************          *          *
     V.P.                            *NET SALES  *          *          *          *
                                     *           ************          *          *
                                     *           *          *          *          *
                                     *PAST DUE   *          *          *          *
   ***********************************           *          *          *          *
     APPL REC PROMISED               *INELIGIBLE *          *          *          *
                                     *           ************          *          *
                                     *TOTAL NET  *          *          *          *
   ***********************************           *          *          *          *
     MISSING RECEIPTS                *LESS RESERVE*         *          *          *
   ***********************************           ***********************          *
     FILINGS / CHECKED               *CASH       **                    *          *
   ***********************************           ***********************          *
     [illegible]                     *                                 *          *
   ***********************************                                 ************

                                       TOTAL AVAIL FOR ADVANCE         ************
```

A 3098

```
09/23/71          669   TOPPER CORP OVERFLOW                               L10.00   GROUP  3

ACCTS REC COLL BAL   09/01/71         8,403,547.
   SALES           . CRED         .            .
   IN PROCESS                                  .
   COLLECTIONS                                 .
   ADJUSTMENTS                                 .
GROSS COLLATERAL                                     8,403,547.
   INELIGIBLE                    09/22         .
   PAST DUE MORE THAN 060 DAYS09/224,302,602.
NET COLLATERAL                                       4,100,945.
   DISCOUNT                                    .
   EQUITY         75.%  20%       3,075,708.
                                                        A/C REC AVAILABILITY 1,025,237.
LOAN ACCOUNT BAL    09/01/71          9,000,000.
   ADVANCES                                    .
   NET COLLECTIONS                             .
   ADJ             .    FC        .            .
                                                        CURRENT LOAN BALANCE 9,000,000.

                                                        OVERDRAFT            7,974,763.-DEB

OTHER COLLATERAL                      % AVAILAB

                      change                            OVERDRAFT            7,974,763.-DEB

                                                  ADDITIONAL ITEMS NOT INCLUDED ABOVE
******************************************************************************************
  AMOUNT REQUESTED $                           *SALES      *          *          *          *
                                               *           ************          *          *
  APPROVED A/C EXEC                            *CRED       *          *          *          *
                                               *           ************          *          *
  V.P.                                         *NET SALES  *          *          *          *
                                               *           ************          *          *
                                               *           *          *          *          *
                                               *PAST DUE   *          *          *          *
***********************************************           *          *          *          *
  [illegible]                                  *INELIGIBLE *          *          *          *
                                               *           ************          *          *
                                               *TOTAL NET  *          *          *          *
***********************************************           *          *          *          *
  [illegible]                                  *LESS RESERVE*         *          *          *
***********************************************           ***********************          *
  [illegible] CHECKED                          *CASH      %*                     *          *
***********************************************           ***********************          *
  [illegible]                                  *                                 *          *
***********************************************                                  ************

                                               TOTAL AVAIL FOR ADVANCE           ************
```

A 3099

09/23/71 665 BILL AND HOLD L10.00

ACCTS REC COLL BAL 09/01/71

SALES 32,733. CRED 32,733.

7 IN PROCESS 16,654.

COLLECTIONS 4,833,553. ~~5,176,448.~~ - 4,873,939 ~~5,127,061.-~~

ADJUSTMENTS

GROSS COLLATERAL

INELIGIBLE 08/19

PAST DUE MORE THAN 060 DAYS 09/20 4,873,939 ~~5,127,061.-~~

NET COLLATERAL

DISCOUNT %

EQUITY 75 % 3,654,704. ~~3,845,295.~~

A/C REC AVAILABILITY 1,218,235 ~~0,972,356.-~~

LOAN ACCOUNT BAL 09/01/71

ADVANCES

NET COLLECTIONS

ADJ FC

CURRENT LOAN BALANCE

OVERDRAFT 1,218,235 ~~0,972,356.-~~ DEB

OTHER COLLATERAL % AVAILAB

OVERDRAFT 1,218,235 ~~0,972,356.-~~ DEB

ADDITIONAL ITEMS NOT INCLUDED ABOVE

AMOUNT REQUESTED $

APPROVED A/C EXEC

V.P.

AUDIT REC [illegible]

[illegible] RECEIPTS

[illegible] / CHECKED

[illegible]

*SALES

*CRED

*NET SALES

*PAST DUE

*INELIGIBLE

*TOTAL NET

*LESS RESERVE

*CASH

TOTAL AVAIL FOR ADVANCE

A 3100

```
09/23/71            664    OVERFLOW ON ACCT. 667                                    GROUP

ACCTS REC COLL BAL    09/01/71        6,995,494.
    SALES           . CRED            .          .
    IN PROCESS                                   .
    COLLECTIONS                                  .
    ADJUSTMENTS                                  .
GROSS COLLATERAL                                      6,995,494.
    INELIGIBLE                   03/16           .
    PAST DUE MORE THAN       DAYS03/16           .    6,995,494.
NET COLLATERAL
    DISCOUNT        %                            .
    EQUITY      20 %                  1,399,098.          A/C REC AVAILABILITY 5,596,396.

LOAN ACCOUNT BAL      09/01/71        5,000,000.
    ADVANCES                                     .
    NET COLLECTIONS                              .
    ADJ          .   FC          .               .        CURRENT LOAN BALANCE 5,000,000.

                                                          AVAIL ON RECEIVABLES    596,396.

OTHER COLLATERAL          .          % AVAILAB

                                                          TOTAL AVAILABILITY      596,396.

                                              ADDITIONAL ITEMS NOT INCLUDED ABOVE
   *****************************************************************************************
    [illegible]                              *SALES        *          *           *         *
                                             *             ************           *         *
    [illegible] A/C REC                      *CRED         *          *           *         *
                                             *             ************           *         *
    [illegible]                              *NET SALES    *          *           *         *
                                             *             ************           *         *
                                             *             *          *           *         *
                                             *PAST DUE     *          *           *         *
   ******************************************              *          *           *         *
    [illegible]                              *INELIGIBLE   *          *           *         *
                                             *             ************           *         *
                                             *TOTAL NET    *          *           *         *
   ******************************************              *          *           *         *
    [illegible]                              *LESS RESERVE*************************         *
   ******************************************                                     *         *
    [illegible]                              *CASH        **                      *         *
   ******************************************              ************************         *
    [illegible]                              *                                    *         *
   ******************************************                                     ***********

                                             TOTAL AVAIL FOR ADVANCE              ***********
```

A 3101

```
09/23/71              663    DE LUXE TOPPER *OVERFLOW                                      GROUP  $          / /

ACCTS REC COLL BAL    09/01/71        9,000,000.
   SALES            . CRED          .         .
   IN PROCESS                                 .
   COLLECTIONS                                .
   ADJUSTMENTS                                .
GROSS COLLATERAL                                       9,000,000.
   INELIGIBLE                   01/31         .
   PAST DUE MORE THAN      DAYS09/205,000,000.
NET COLLATERAL                          $              4,000,000.
   DISCOUNT         %                         .
   EQUITY       20  %                 800,000.                 A/C REC AVAILABILITY 3,200,000.

LOAN ACCOUNT BAL      09/01/71                .
   ADVANCES                                   .
   NET COLLECTIONS                            .
   ADJ             .     FC         .         .                CURRENT LOAN BALANCE          .

                                                               AVAIL ON RECEIVABLES 3,200,000.

OTHER COLLATERAL        .                                                                    .
                                   % AVAILAB

                                                               TOTAL AVAILABILITY   3,200,000.

                                                ADDITIONAL ITEMS NOT INCLUDED ABOVE
*****************************************************************************************************
  AMOUNT REQUESTED  $                          *SALES         *          *          *          *
                                               *              ************          *          *
  APPR VED  A/C EXEC                           *CRED          *          *          *          *
                                               *              ************          *          *
  V.P.                                         *NET SALES     *          *          *          *
                                               *              ************          *          *
                                               *              *          *          *          *
                                               *PAST DUE      *          *          *          *
*********************************************  *              *          *          *          *
  ADDTL REC REQUIRED                           *INELIGIBLE    *          *          *          *
                                               *              ************          *          *
                                               *TOTAL NET     *          *          *          *
*********************************************  *              *          *          *          *
  MISSING RECEIPTS                             *LESS RESERVE*                       *          *
*********************************************  *              **********************          *
  FIGURES CHECKED                              *CASH         $*                     *          *
*********************************************  *              **********************          *
  CHECK ISSUED                                 *                                    *          *
*********************************************                                       ************

                                          TOTAL AVAIL FOR ADVANCE                   ************
```

A 3162

```
[illegible]            546      TOPPER CORPORATION                                   L10.00
                                  61
ACCTS REC COLL BAL   09/01/71       2,181,873.
   SALES           . CRED   1,094.       1,094.-
   IN PROCESS                                 .
   COLLECTIONS                                .
   ADJUSTMENTS                      244,321.-
GROSS COLLATERAL                                 1,936,458.
   INELIGIBLE                08/19            .
   PAST DUE MORE THAN 030 DAYS09/20           .
NET COLLATERAL                                   1,936,458.
   DISCOUNT      %                            .
   EQUITY     50 %                  968,229.
LOAN ACCOUNT BAL     09/01/71                          A/C REC AVAILABILITY     968,229.
   ADVANCES                                   .
   NET COLLECTIONS                            .
   ADJ          .     FC                      .
                                                       CURRENT LOAN BALANCE
OTHER COLLATERAL                                       AVAIL ON RECEIVABLES     968,229.
                              % AVAILAB
                                                       TOTAL AVAILABILITY       968,229.

                                          ADDITIONAL ITEMS NOT INCLUDED ABOVE
*****************************************************************************
  AMOUNT REQUESTED $                 *SALES         *         *         *
                                     *              ***********         *
  APPROVED A/C EXEC                  *CRED          *         *         *
                                     *              ***********         *
  V.P.                               *NET SALES     *         *         *
                                     *              ***********         *
                                     *              *         *         *
                                     *PAST DUE      *         *         *
*************************************               *         *         *
  AVAIL [illegible]ISED              *INELIGIBLE    *         *         *
                                     *              ***********         *
*************************************TOTAL NET      *         *         *
  [illegible] RECEIPTS               *              *         *         *
*************************************LESS RESERVE   *         *         *
  [illegible] / [illegible]          *              *********************
*************************************CASH          %*                   *
  [illegible]                        *              *********************
*************************************                                   *
                                                                *********

                                     TOTAL AVAIL FOR ADVANCE     ************
```

A 3103

09/26/71

TOPPER 667

ACCTS REC COLL BAL 09/01/71 31,057.777.
SALES . CRED 5,319.975.
IN PROCESS 537.295.
COLLECTIONS 368.327.
ADJUSTMENTS 4274.701 — 29,536.012.
GROSS COLLATERAL
INELIGIBLE 08/26 138.083.
PAST DUE MORE THAN 060 DAYS08/26 7382.602 20,135.327.
NET COLLATERAL
DISCOUNT
EQUITY 20 % 4027.065

A/C REC AVAILABILITY 16,108.261.

LOAN ACCOUNT BAL 09/01/71 ~~332.~~
ADVANCES
NET COLLECTIONS
ADJ 332.- FC ~~332.-~~

CURRENT LOAN BALANCE 13,385.443.

AVAIL ON RECEIVABLES 2,722 818.

OTHER COLLATERAL % AVAILAB

TOTAL AVAILABILITY 2722.818.

ADDITIONAL ITEMS NOT INCLUDED ABOVE

APPROVED ADJUSTED
APPROVED A/C REC 200000
ACCTS REC PROCESSED
MISSING RECEIPTS
FILED / CHECKED
ISSUED SEP 2 197 K

SALES			
CRED			
NET SALES	661	961.217	
PAST DUE	665	7,000.00	Limit
INELIGIBLE			
TOTAL NET			
LESS RESERVE			
CASH		7000000	
		2308.953	

TOTAL AVAIL FOR ADVANCE

A 3104

P. EXH 640 PD
10/24/74

```
09/24/71            667    TOPPER CORPORATION                                   L67.20   GROUP 8
                                965
   ACCTS REC COLL BAL      09/01/71          6,460,736.
/158 SALES 5,529,505. CRED 209,530.          5,319,975.
 /41/44 PROCESS                                539,295.
/194 COLLECTIONS                             3,068,328.
       ADJUSTMENTS                           4,274,707.-   4,823,029.-
   GROSS COLLATERAL
       INELIGIBLE                  09/22   138,083.
       PAST DUE MORE THAN 060 DAYS08/19        1         4,961,112.-
   NET COLLATERAL
       DISCOUNT        %
       EQUITY      90  %                       992,222.      A/C REC AVAILABILITY 5,953,334.-

   LOAN ACCOUNT BAL        09/01/71          5,819,704.
       ADVANCES                              3,625,000.
       NET COLLECTIONS                      10,059,261.
       ADJ               .    FC                             CURRENT LOAN BALANCE     614,557. CR

                                                             OVERDRAFT              5,338,777.-DEB

   OTHER COLLATERAL 6,664,512.      000 % AVAILAB            OTHER COLLATERAL              .

                                                             OVERDRAFT       .      5,338,777.-DEB

                                              ADDITIONAL ITEMS NOT INCLUDED ABOVE
  AMOUNT REQUESTED  $                          *SALES
  APPROVED  A/C EXEC                           *CRED
  V.P.                                         *NET SALES
                                               *PAST DUE
  ADDT'L REC PROMISED                          *INELIGIBLE
                                               *TOTAL NET_
  MISSING RECEIPTS                             *LESS RESERVE*
  FIGURED / CHECKED                            *CASH        %
  CHECK ISSUED
                                              TOTAL AVAIL FOR ADVANCE
```

A3105

```
   09/24/71            66A    TOPPER CORP OVERFLOW                              L10.00   GROUP  %        / /

ACCTS REC COLL BAL   09/01/71        8,403,547.
   SALES            . CRED        .          .
   IN PROCESS                                .
   COLLECTIONS                               .
   ADJUSTMENTS                               .
GROSS COLLATERAL                                  8,403,547.
   INELIGIBLE                  09/22         .
   PAST DUE MORE THAN 060 DAYS09/224,302,602.
NET COLLATERAL                        1           4,100,945.
   DISCOUNT         %                        .
   EQUITY      20. %                   820,189.
                                                        A/C REC AVAILABILITY 3,280,756.
LOAN ACCOUNT BAL     09/01/71        9,000,000.
   ADVANCES                                  .
   NET COLLECTIONS                           .
   ADJ          .    EC       .     .        .
                                                        CURRENT LOAN BALANCE 9,000,000.

                                                        OVERDRAFT            5,719,244.-DEB

OTHER COLLATERAL          .
                                % AVAILAB

                                                        OVERDRAFT     .      5,719,244.-DEB

                                             ADDITIONAL ITEMS NOT INCLUDED ABOVE
  ****************************************************************************************************
   AMOUNT REQUESTED $                      *SALES      *         *        *            *
                                           *           ***********        *            *
   APPROVED A/C EXEC                       *CRED       *         *        *            *
                                           *           ***********        *            *
   V.P.                                    *NET SALES  *         *        *            *
                                           *           ***********        *            *
                                           *           *         *        *            *
                                           *PAST DUE   *         *        *            *
  ******************************************           *         *        *            *
   AUDIT REC REVISED                       *INELIGIBLE *         *        *            *
                                           *           ***********        *            *
                                           *TOTAL NET  *         *        *            *
  ******************************************           *         *        *            *
   MISC CASH RECEIPTS                      *LESS RESERVE*        *        *            *
  ******************************************           ********************            *
   FIGURED / CHECKED                       *CASH      %*                  *            *
  ******************************************           ********************            *
   CHECK ISSUED                            *                              *            *
  ******************************************                              **************

                                  TOTAL AVAIL FOR ADVANCE                 **************
```

A 310S

```
    ACCTS REC COLL BAL    09/01/71
73    SALES      49,398. CRED               49,398.
71    IN PROCESS                             6,153.
      COLLECTIONS
      ADJUSTMENTS                        4,823,552.
    GROSS COLLATERAL                                 4,879,093.
      INELIGIBLE                    08/19
      PAST DUE MORE THAN 060 DAYS09/20
    NET COLLATERAL                                   4,879,093.
      DISCOUNT
      EQUITY        75 %                 3,659,319.
                                                         A/C REC AVAILABILITY 1,219,774.
    LOAN ACCOUNT BAL       09/01/71
      ADVANCES
      NET COLLECTIONS
      ADJ               EC

                                                         CURRENT LOAN BALANCE

                                                         AVAIL ON RECEIVABLES 1,219,774.
    OTHER COLLATERAL
                                % AVAILAB

                                                         TOTAL AVAILABILITY   1,219,774.

                                          ADDITIONAL ITEMS NOT INCLUDED ABOVE
    ********************************************************************************
     AMOUNT REQUESTED   $          *SALES          *          *          *          *
                                   *               ************          *          *
     APPROVED  A/C EXEC            *CRED           *          *          *          *
                                   *               ************          *          *
     V.P.                          *NET SALES      *          *          *          *
                                   *               ************          *          *
                                   *               *          *          *          *
                                   *PAST DUE       *          *          *          *
    *******************************                *          *          *          *
     ADDTL REC PROMISED            *INELIGIBLE     *          *          *          *
                                   *               ************          *          *
                                   *TOTAL NET      *          *          *          *
    ********************************               *          *          *          *
     MISSING RECEIPTS              *LESS RESERVE   *          *          *          *
    ********************************               ***********************          *
     FILMED / CHECKED              *CASH          $*                     *          *
    ********************************               ***********************          *
     CHECK ISSUED                  *                                     *          *
    ********************************                                     ************

    ------------------------------ TOTAL AVAIL FOR ADVANCE ---------- ************
```

A 3107

```
  09/24/71          666    OVERFLOW ON ACCT. 667                                  GROUP  %          /  /

ACCTS REC COLL BAL    09/01/71        6,995,494.
    SALES            . CRED        .
    IN PROCESS
    COLLECTIONS
    ADJUSTMENTS
GROSS COLLATERAL                                     6,995,494.
    INELIGIBLE                    03/16
    PAST DUE MORE THAN       DAYS03/16
NET COLLATERAL                         !             6,995,494.
    DISCOUNT          %
    EQUITY        20  %                 1,399,098.
                                                       A/C REC AVAILABILITY 5,596,396.
LOAN ACCOUNT BAL      09/01/71        5,000,000.
    ADVANCES
    NET COLLECTIONS
    ADJ              .    FC       .
                                                       CURRENT LOAN BALANCE 5,000,000.

                                                       AVAIL ON RECEIVABLES     596,396.

OTHER COLLATERAL          .
                                       % AVAILAB

                                                       TOTAL AVAILABILITY       596,396.

                                          ADDITIONAL ITEMS NOT INCLUDED ABOVE
 ***************************************************************************************
  AMOUNT REQUESTED  $                   *SALES      *           *         *          *
                                        *           ***********           *          *
  APPROVED  A/C EXEC                    *CRED       *           *         *          *
                                        *           ***********           *          *
  V.P.                                  *NET SALES  *           *         *          *
                                        *           ***********           *          *
                                        *           *           *         *          *
                                        *PAST DUE   *           *         *          *
 ****************************************           *           *         *          *
  ADDIL REC PROVIDED                    *INELIGIBLE *           *         *          *
                                        *           ***********           *          *
                                        *TOTAL NET  *           *         *          *
 ****************************************           *           *         *          *
  MISSING RECEIPTS                      *LESS RESERVE*          *         *          *
 ****************************************           *******************   *          *
  ENTERED / CHECKED                     *CASH       %*                    *          *
 ****************************************           *******************   *          *
  CHECK ISSUED                          *                                 *          *
 ****************************************                                 ************

                                   TOTAL AVAIL FOR ADVANCE                ************
```

A 3108

```
09/24/71              663    DE LUXE TOPPER *OVERFLOW                                GROUP  %          /  /

  ACCTS REC COLL BAL     09/01/71          9,000,000.
     SALES               . CRED        .           .
     IN PROCESS                                    .
     COLLECTIONS                                   .
     ADJUSTMENTS                                   .
  GROSS COLLATERAL                                        9,000,000.
     INELIGIBLE                       01/31        .
     PAST DUE MORE THAN      DAYS09/205,000,000.
  NET COLLATERAL                                          4,000,000.
     DISCOUNT       .   %                          .
     EQUITY        20 %                     800,000.
                                                               A/C REC AVAILABILITY 3,200,000.
  LOAN ACCOUNT BAL      09/01/71                   .
     ADVANCES                                      .
     NET COLLECTIONS                               .
     ADJ              .     FC         .           .
                                                               CURRENT LOAN BALANCE            .

                                                               AVAIL ON RECEIVABLES 3,200,000.

  OTHER COLLATERAL                .
                                        % AVAILAB                                              .

                                                               TOTAL AVAILABILITY   3,200,000.

                                                ADDITIONAL ITEMS NOT INCLUDED ABOVE
        ********************************************************************************************
          AMOUNT REQUESTED  $                  *SALES          *          *          *          *
                                               *               ************          *          *
          APPROVED  A/C EXEC                   *CRED           *          *          *          *
                                               *               ************          *          *
          V.P.                                 *NET SALES      *          *          *          *
                                               *               ************          *          *
                                               *               *          *          *          *
                                               *PAST DUE       *          *          *          *
        ****************************************               *          *          *          *
          ADDTL REC PROMISED                   *INELIGIBLE     *          *          *          *
                                               *               ************          *          *
                                               *TOTAL NET      *          *          *          *
        ****************************************               *          *          *          *
          MISSING RECEIPTS                     *LESS RESERVE*             *          *          *
        ****************************************               ***********************          *
          FIGURES / CHECKED                    *CASH        %*                       *          *
        ****************************************               ***********************          *
          [illegible]                          *                                     *          *
        ****************************************                                     ************
```

A 3109

```
09/24/71               666    TOPPER CORPORATION                                  L10.00

ACCTS REC COLL BAL   09/01/71   65   2,181,873.
   SALES              . CRED   1,094.       1,094.-
   IN PROCESS                                     .
   COLLECTIONS                                    .
   ADJUSTMENTS                            244,321.-
GROSS COLLATERAL                                      1,936,458.
   INELIGIBLE                      08/19          .
   PAST DUE MORE THAN 030 DAYS09/20               .
NET COLLATERAL                                        1,936,458.
   DISCOUNT          %                            .
   EQUITY       50 %                      968,229.
                                                          A/C REC AVAILABILITY    968,229.

LOAN ACCOUNT BAL     09/01/71                     .
   ADVANCES                                       .
   NET COLLECTIONS                                .
   ADJ            .   FC          .               .
                                                          CURRENT LOAN BALANCE            .

                                                          AVAIL ON RECEIVABLES    968,229.

OTHER COLLATERAL          .           % AVAILAB                                           .

                                                          TOTAL AVAILABILITY      968,229.

                                       ADDITIONAL ITEMS NOT INCLUDED ABOVE
*****************************************************************************************
 AMOUNT REQUESTED  $              *SALES        *           *         *          *
                                  *             ************         *          *
 APPROVED  A/C EXEC               *CRED         *           *         *          *
                                  *             ************         *          *
 M.O.                             *NET SALES    *           *         *          *
                                  *             ************         *          *
                                  *             *           *         *          *
                                  *PAST DUE     *           *         *          *
**********************************              *           *         *          *
 ADD'L REC PURCHASED              *INELIGIBLE   *           *         *          *
                                  *             ************         *          *
                                  *TOTAL NET    *           *         *          *
**********************************              *           *         *          *
 MISSING RECEIPTS                 *LESS RESERVE*                      *          *
**********************************              *********************          *
 POSTED / CHECKED                 *CASH        %*                      *          *
**********************************              *********************          *
 CHECK ISSUED                     *                                   *          *
**********************************                                    ************

                                  TOTAL AVAIL FOR ADVANCE             ************
```

A 3110

09/27/71 ~~10 HIGHLANDER SPORTSWEAR INC~~

TOPPER 667

ACCTS REC COLL BAL 09/01/71 31,054.778
SALES . CRED 5317975
IN. PROCESS 1622936
COLLECTIONS 4211.409
ADJUSTMENTS 4300.720
GROSS COLLATERAL 29,492.055
INELIGIBLE 09/21 138 083
PAST DUE MORE THAN DAYS 09/21 4304600
NET COLLATERAL 20,049.372
DISCOUNT %
EQUITY 20.% 4,009.874

A/C REC AVAILABILITY 16,037.496

LOAN ACCOUNT BAL 09/01/71
ADVANCES
NET COLLECTIONS
ADJ . FC

CURRENT LOAN BALANCE 12,456.175

AVAIL ON RECEIVABLES 3581.321

OTHER COLLATERAL

% AVAILAB

TOTAL AVAILABILITY

ADDITIONAL ITEMS NOT INCLUDED ABOVE

AMOUNT REQUESTED $ [illegible]

APPR VED. A/C EXEC

V.P.

ADDTL REC PROMISED

MISSING RECEIPTS

FILMED / CHECKED

CHECK ISSUED SEP [illegible] K2/B

SALES			
CRED			
NET SALES			
PAST DUE		665	1,000,000 LIMIT
INELIGIBLE		666	468229
TOTAL NET			
LESS RESERVE			
CASH			
	reserve		2000 000
TOTAL AVAIL FOR ADVANCE			1448 450

A 3111

P. EXH 641 (89)

10/24/74

```
   09/22/71           667    TOPPER CORPORATION                                      L67.20   GROUP  3       03/31/72

   ACCTS REC COLL BAL   09/01/71 965  6,660,736.
/3  SALES 5,529,505. CRED 209,530.  5,319,975.
1/3  IN PROCESS              200     W22,936.  / 1628976-
/1  COLLECTIONS                       4,211,409.
     ADJUSTMENTS                      4,300,720.-
   GROSS COLLATERAL                                  5,909,482.-
     INELIGIBLE              09/22    138,083.
     PAST DUE MORE THAN 060 DAYS08/19          .
   NET COLLATERAL                                    6,046,565.-
     DISCOUNT       %                          .
     EQUITY      20 %                 1,209,313.
                                                       A/C REC AVAILABILITY 7,255,878.-
   LOAN ACCOUNT BAL    09/01/71       5,819,704.
     ADVANCES                         3,825,000.
     NET COLLECTIONS                 11,188,529.
     ADJ            .    FC        .           .
                                                       CURRENT LOAN BALANCE 1,543,825. CR

                                                       OVERDRAFT             5,712,053.-DEB

   OTHER COLLATERAL 7,000,000.                         OTHER COLLATERAL      7,000,000.
                              100 % AVAILAB
                                                       TOTAL AVAILABILITY    1,287,947.


                                        ADDITIONAL ITEMS NOT INCLUDED ABOVE
   *************************************************************************************
     AMOUNT REQUESTED  $                  *SALES       *          *         *          *
                                          *            ************         *          *
     APPROVED  A/C EXEC                   *CRED        *          *         *          *
                                          *            ************         *          *
     V.P.                                 *NET SALES   *          *         *          *
                                          *            ************         *          *
                                          *            *          *         *          *
                                          *PAST DUE    *          *         *          *
   ****************************************            *          *         *          *
     ADDIL REC PROMISED                   *INELIGIBLE  *          *         *          *
                                          *            ************         *          *
                                          *TOTAL NET   *          *         *          *
   ****************************************            *          *         *          *
     MISSING RECEIPTS                     *LESS RESERVE*          *         *          *
   ****************************************            **********************          *
     FIGURES / CHECKED                    *CASH       $*                    *          *
   ****************************************            **********************          *
     CHECK ISSUED                         *                                 *          *
   ****************************************                                 ************

                                          TOTAL AVAIL FOR ADVANCE           ************
```

A 3112

```
09/27/71          668    TOPPER CORPORATION

 ACCTS REC COLL BAL   09/01/71          8,403,547.
    SALES              CRED
    IN PROCESS
    COLLECTIONS
    ADJUSTMENTS                                    8,403,547.
 GROSS COLLATERAL
    INELIGIBLE                      09/22
    PAST DUE MORE THAN         DAYS09/224,302,602.
                                                   4,100,945.
 NET COLLATERAL
    DISCOUNT
    EQUITY      20 %                      820,189.         A/C REC AVAILABILITY 3,280,756.

                                        9,000,000.
 LOAN ACCOUNT BAL     09/01/71
    ADVANCES
    NET COLLECTIONS
    ADJ                FC                                  CURRENT LOAN BALANCE 9,000,000.

                                                           OVERDRAFT            5,719,244.-DEB

 OTHER COLLATERAL                  % AVAILAB

                                                           OVERDRAFT            5,719,244.-DEB

                                              ADDITIONAL ITEMS NOT INCLUDED ABOVE
 **********************************************SALES
  AMOUNT REQUESTED $
                                               *CRED

  APPROVED. A/C EXEC
                                               *NET SALES
  V.P.

                                               *PAST DUE
 **********************************************
                                               *INELIGIBLE
  ADD'L REC PROMISED
                                               *TOTAL NET
 **********************************************
                                               *LESS RESERVE*
  MISSING RECEIPTS
 **********************************************CASH
  FILED / CHECKED
 **********************************************
  CHECK ISSUED
 **********************************************

                                     ____TOTAL AVAIL FOR ADVANCE____
```

A 3113

```
09/27/71          555    BILL AND HOLD,TOPPER                          L10.00   GROUP 3

   ACCTS REC COLL BAL    09/01/71                .
      SALES .    49,388. CRED          .      49,388.
      IN PROCESS                               6,326.
      COLLECTIONS                                   .
      ADJUSTMENTS                          4,823,552.
   GROSS COLLATERAL                                     4,879,266.
      INELIGIBLE                     08/19          .
      PAST DUE MORE THAN 060 DAYS09/20              .
   NET COLLATERAL                         .                4,879,266.
      DISCOUNT       %                              .
      EQUITY      75 %                     3,659,449.
                                                            A/C REC AVAILABILITY 1,219,817.
   LOAN ACCOUNT BAL      09/01/71                   .
      ADVANCES                                      .
      NET COLLECTIONS                               .
      ADJ           .     FC         .                  .
                                                            CURRENT LOAN BALANCE          .

                                                            AVAIL ON RECEIVABLES 1,219,817.

   OTHER COLLATERAL                 .
                                          % AVAILAB                                       .

                                                            TOTAL AVAILABILITY   1,219,817.

                                              ADDITIONAL ITEMS NOT INCLUDED ABOVE
     ****************************************************************************************
     AMOUNT REQUESTED   $                     *SALES           *            *         *
                                              *                ***********  *         *
     APPROVED   A/C EXEC                      *CRED            *            *         *
                                              *                ***********  *         *
     V.P.                                     *NET SALES       *            *         *
                                              *                ***********  *         *
                                              *                *            *         *
                                              *PAST DUE        *            *         *
     ****************************************                *            *         *
     AVAIL REC PROMISED                       *INELIGIBLE      *            *         *
                                              *                ***********  *         *
                                              *TOTAL NET       *            *         *
     ****************************************                *            *         *
     [illegible] RECEIPTS                     *LESS RESERVE    *            *         *
     ****************************************                ***************         *
     FIGURED / CHECKED                        *CASH           $*                      *
     ****************************************                ***************         *
                                              *                             *         *
     CHECK ISSUED                             *                             ***********
     ****************************************
                                          TOTAL AVAIL FOR ADVANCE           ************
```

7
71/v

A 3114

```
09/27/71          664    OVERFLOW ON ACCT. 667

ACCTS REC COLL BAL     09/01/71          6,995,494.
   SALES            . CRED
   IN PROCESS
   COLLECTIONS
   ADJUSTMENTS
GROSS COLLATERAL                                   6,995,494.
   INELIGIBLE                    03/16
   PAST DUE MORE THAN        DAYS03/16
NET COLLATERAL                                     6,995,494.
   DISCOUNT       %
   EQUITY     20  %                  1,399,098.          A/C REC AVAILABILITY 5,596,396.

LOAN ACCOUNT BAL       09/01/71          5,000,000.
   ADVANCES
   NET COLLECTIONS
   ADJ            FC
                                                         CURRENT LOAN BALANCE 5,000,000.

                                                         AVAIL ON RECEIVABLES   596,396.

OTHER COLLATERAL 6,606,977.                              OTHER COLLATERAL
                          000 % AVAILAB
                                                         TOTAL AVAILABILITY     596,396.

                                              ADDITIONAL ITEMS NOT INCLUDED ABOVE
 ************************************************************************************
  AMOUNT REQUESTED  $                   *SALES
                                        *
  APPROVED  A/C EXEC                    *CRED
                                        *
  V.P.                                  *NET SALES
                                        *
                                        *PAST DUE
 ***************************************
  ADDTL REC PROVIDED                    *INELIGIBLE
                                        *
                                        *TOTAL NET
 ***************************************
  MISSING RECEIPTS                      *LESS RESERVE*
 ***************************************
  FILED / CHECKED                       *CASH         %*
 ***************************************
  CHECK ISSUED                          *
 ***************************************

                                        TOTAL AVAIL FOR ADVANCE
```

A 3115

```
09/27/71              663    DE LUXE TOPPER OVERFLOW                                  GROUP  3        / /

ACCTS REC COLL BAL    09/01/71          9,000,000.
    SALES           . CRED          .
    IN PROCESS
    COLLECTIONS
    ADJUSTMENTS
GROSS COLLATERAL                                      9,000,000.
    INELIGIBLE                 01/31
    PAST DUE MORE THAN     DAYS09/205,000,000.
NET COLLATERAL                                        4,000,000.
    DISCOUNT        %
    EQUITY     20 %.                    800,000.
                                                          A/C REC AVAILABILITY 3,200,000.
LOAN ACCOUNT BAL      09/01/71
    ADVANCES
    NET COLLECTIONS
    ADJ            .    FC        .
                                                          CURRENT LOAN BALANCE          .

                                                          AVAIL ON RECEIVABLES 3,200,000.

OTHER COLLATERAL            .
                                    % AVAILAB

                                                          TOTAL AVAILABILITY   3,200,000.

                                        ADDITIONAL ITEMS NOT INCLUDED ABOVE
*******************************************************************************************
  AMOUNT REQUESTED  $                    *SALES
                                         *
  APPROVED A/C SVLG                      *CRED
                                         *
  V.P.                                   *NET SALES
                                         *
                                         *
                                         *PAST DUE
*****************************************
  AVAIL REC PROMISED                     *INELIGIBLE
                                         *
                                         *TOTAL NET
*****************************************
  MISSING RECEIPTS                       *LESS RESERVE*
*****************************************
  FILMED / CHECKED                       *CASH        %*
*****************************************
  CHECK ISSUED                           *
*****************************************

                                         TOTAL AVAIL FOR ADVANCE              ************
```

A 3116

```
09/27/71            666    TOPPER CORPORATION                                   L10.00

ACCTS REC COLL BAL    09/01/71 (3)   2,181,873.
   SALES                 . CRED   1,094.    1,094.-
   IN PROCESS
   COLLECTIONS
   ADJUSTMENTS                             244,321.-
GROSS COLLATERAL                                      1,936,458.
   INELIGIBLE                      08/19
   PAST DUE MORE THAN 030 DAYS09/20
NET COLLATERAL                                        1,936,458.
   DISCOUNT           %
   EQUITY          50 %                    968,229.
                                                      A/C REC AVAILABILITY      968,229.

LOAN ACCOUNT BAL      09/01/71
   ADVANCES
   NET COLLECTIONS
   ADJ                .    FC
                                                      CURRENT LOAN BALANCE

                                                      AVAIL ON RECEIVABLES      968,229.

OTHER COLLATERAL
                                 % AVAILAB

                                                      TOTAL AVAILABILITY        968,229.

                                        ADDITIONAL ITEMS NOT INCLUDED ABOVE
*****************************************************************************************
  AMOUNT REQUESTED  $                  *SALES      *           *           *
                                       *           ***********  *           *
  APPROVED  A/C EXEC                   *CRED       *           *           *
                                       *           ***********  *           *
  V.P.                                 *NET SALES  *           *           *
                                       *           ***********  *           *
                                       *           *           *           *
                                       *PAST DUE   *           *           *
****************************************           *           *           *
  AUDIT REC PREMISED                   *INELIGIBLE *           *           *
                                       *           ***********  *           *
                                       *TOTAL NET  *           *           *
****************************************           *           *           *
  MISSING  RECEIPTS                    *LESS RESERVE*          *           *
****************************************           *************           *
  POSTED / CHECKED                     *CASH       $*          *           *
****************************************           *************           *
  CHECK  ISSUED                        *                       *           *
****************************************                       *************

                                  TOTAL AVAIL FOR ADVANCE      *************
```

A 3117

```
09/2?/71                                   TOPPER 667

ACCTS REC COLL BAL     09/01/71     31054777.
   SALES                 CRED        5858665.
   IN PROCESS                        1776070.
   COLLECTIONS                       4268621.
   ADJUSTMENTS                        300720.
GROSS COLLATERAL                                  30125171.
   INELIGIBLE                  08/26  138083.
   PAST DUE MORE THAN 060 DAYS08/269302602.
NET COLLATERAL                                    20684486.
   DISCOUNT
   EQUITY        20 %                4136897.
                                                  A/C REC AVAILABILITY 16547589
LOAN ACCOUNT BAL       09/01/71
   ADVANCES
   NET COLLECTIONS
   ADJ          332.-   FC

                                                  CURRENT LOAN BALANCE 12752845.

                                                  AVAIL ON RECEIVABLES 3794744.
OTHER COLLATERAL
                                   % AVAILAB

                                                  TOTAL AVAILABILITY 3794744.

                                         ADDITIONAL ITEMS NOT INCLUDED ABOVE
AMOUNT REQUESTED $                       *SALES
APPROVED  A/C EXEC   300,000             *CRED
V.P.                                     *NET SALES

                                         *PAST DUE
AUDIT REC PROMISED                                          665    1000000
                                         *INELIGIBLE
                                                            666     968229
                                         *TOTAL NET
MISSING RECEIPTS                         *LESS RESERVE
FILLED / CHECKED                         *CASH               RESERVE  7000000
CHECK ISSUED  SEP 29 1971  KYC

                                         TOTAL AVAIL FOR ADVANCE      1237027
```

A 3113

P. EXH 642.69

```
   09/23/71             667    TOPPER CORPORATION                               L67.20   GROUP  8       03/31/72

    ACCTS REC COLL BAL      09/01/71  966  6,669,736.
 1251 SALES 6,068,901.  CRED 210,136.      5,858,665.
 1152-4 IN PROCESS                           X76,070.    1776,070-
 1196 COLLECTIONS                          4,268,621.
       ADJUSTMENTS                         4,300,720.-
    GROSS COLLATERAL                                    5,273,870.-
       INELIGIBLE                   09/22    138,083.
       PAST DUE MORE THAN 060 DAYS08/19             .
    NET COLLATERAL                                      5,411,953.-
       DISCOUNT
       EQUITY       20.0                   1,082,390.
                                                              A/C REC AVAILABILITY 6,494,343.-
    LOAN ACCOUNT BAL      09/01/71         5,819,704.
       ADVANCES                            4,175,000.
       NET COLLECTIONS                    11,241,859.
       ADJ              .      FC      .            .
                                                              CURRENT LOAN BALANCE 1,247,155. CR

                                                              OVERDRAFT            5,247,188.-DEB

    OTHER COLLATERAL  7,000,000.-                             OTHER COLLATERAL     7,000,000.
                                 100 % AVAILAB
                                                              TOTAL AVAILABILITY   1,752,812.


                                                    ADDITIONAL ITEMS NOT INCLUDED ABOVE
  ****************************************************************************************************
    AMOUNT REQUESTED  $                         *SALES       *          *         *              *
                                                *            ************         *              *
    APPROVED. A/C EXEC                          *CRED        *          *         *              *
                                                *            ************         *              *
    V.P.                                        *NET SALES   *          *         *              *
                                                *            ************         *              *
                                                *            *          *         *              *
                                                *PAST DUE    *          *         *              *
  ***********************************************            *          *         *              *
    ADDTL REC PROMISED                          *INELIGIBLE  *          *         *              *
                                                *            ************         *              *
                                                *TOTAL NET   *          *         *              *
  ***********************************************            *          *         *              *
    MISSING RECEIPTS                            *LESS RESERVE*          *         *              *
  ***********************************************            **********************              *
    FIGURED / CHECKED                           *CASH       %*                    *              *
  ***********************************************            **********************              *
    CHECK ISSUED                                *                                 *              *
  ***********************************************                                 ****************

                                     TOTAL AVAIL FOR ADVANCE                      ****************
```

A 3119

```
09/29/71                669    TOPPER CORPORATION

ACCTS REC COLL BAL    09/01/71         8,403,547.
   SALES               . CRED
   IN PROCESS
   COLLECTIONS
   ADJUSTMENTS
GROSS COLLATERAL                                     8,403,547.
   INELIGIBLE                       09/27
   PAST DUE MORE THAN        DAYS09/224,302,602.
NET COLLATERAL                                       4,100,945.
   DISCOUNT
   EQUITY          2                 820,189.
                                                       A/C REC AVAILABILITY 3,280,756.
LOAN ACCOUNT BAL      09/01/71         9,000,000.
   ADVANCES
   NET COLLECTIONS
   ADJ                  EC
                                                       CURRENT LOAN BALANCE 9,000,000.

                                                       OVERDRAFT             5,719,244.-DEB

OTHER COLLATERAL
                                  %. AVAILAB

                                                       OVERDRAFT             5,719,244.-DEB


                                          ADDITIONAL ITEMS NOT INCLUDED ABOVE

  AMOUNT REQUESTED  $                    *SALES
  APPROVED  A/C EXEC                     *CRED
  V.P.                                   *NET SALES

                                         *PAST DUE
  ADDTL REC PROMISED                     *INELIGIBLE
                                         *TOTAL NET
  MISSING RECEIPTS                       *LESS RESERVE*
  FIGURED / CHECKED                      *CASH         %*
  CHECK ISSUED

                                       TOTAL AVAIL FOR ADVANCE
```

A 3120

```
09/29/71            665    BILL AND HOLD,TOPPER                        L10.00   GROUP  %

 ACCTS REC COLL BAL    09/01/71
72  SALES    55,715. CRED                  55,715.
73    IN PROCESS                           79,896.
      COLLECTIONS
      ADJUSTMENTS                       4,923,552.
 GROSS COLLATERAL                                     4,959,161.
      INELIGIBLE                 08/19
      PAST DUE MORE THAN 060 DAYS09/20
 NET COLLATERAL                                       4,959,161.
      DISCOUNT        %
      EQUITY      75 %                  3,719,370.
                                                      A/C REC AVAILABILITY 1,239,791.
 LOAN ACCOUNT BAL      09/01/71
      ADVANCES
      NET COLLECTIONS
      ADJ            FC
                                                      CURRENT LOAN BALANCE

                                                      AVAIL ON RECEIVABLES 1,239,791.
 OTHER COLLATERAL
                                    % AVAILAB

                                                      TOTAL AVAILABILITY    1,239,791.

                                         ADDITIONAL ITEMS NOT INCLUDED ABOVE
  AMOUNT REQUESTED  $               *SALES
  APPROVED  A/C EXEC                *CRED
  V.P.                              *NET SALES
                                    *PAST DUE
  ADDTL REC PROMISED                *INELIGIBLE
                                    *TOTAL NET
  MISSING RECEIPTS                  *LESS RESERVE*
  FIGURED / CHECKED                 *CASH       $*
  CHECK ISSUED
                                     TOTAL AVAIL FOR ADVANCE
```

A 3121

```
09/29/71          664   OVERFLOW ON ACCT. 667                                GROUP  8      /  /

ACCTS REC COLL BAL    09/01/71       6,995,494.
   SALES           . CRED      .            .
   IN PROCESS                               .
   COLLECTIONS                              .
   ADJUSTMENTS                              .
GROSS COLLATERAL                                6,995,494.
   INELIGIBLE                  03/16        .
   PAST DUE MORE THAN       DAYS03/16       .
NET COLLATERAL                          1      6,995,494.
   DISCOUNT        .                        .
   EQUITY       20 %                 1,399,098.
                   .                                 A/C REC AVAILABILITY 5,596,396.
LOAN ACCOUNT BAL     09/01/71        5,000,000.
   ADVANCES                                 .
   NET COLLECTIONS                          .
   ADJ            .    EC      .            .
                                                     CURRENT LOAN BALANCE 5,000,000.

                                                     AVAIL ON RECEIVABLES   596,396.

OTHER COLLATERAL 6,100,948.
                            000 % AVAILAB            OTHER COLLATERAL              .

                                                     TOTAL AVAILABILITY     596,396.


                                            ADDITICNAL ITEMS NOT INCLUDED ABOVE
**********************************************************************************************
  AMOUNT REQUESTED  $                      *SALES        *         *         *         *
                                           *             ***********         *         *
  APPROVED  A/C EXEC                       *CRED         *         *         *         *
                                           *             ***********         *         *
  V.P.                                     *NET SALES    *         *         *         *
                                           *             ***********         *         *
                                           *             *         *         *         *
                                           *PAST DUE     *         *         *         *
*******************************************              *         *         *         *
  ADDTL REC PROMISED                       *INELIGIBLE   *         *         *         *
                                           *             ***********         *         *
                                           *TOTAL NET    *         *         *         *
*******************************************              *         *         *         *
  MISSING RECEIPTS                         *LESS RESERVE*          *         *         *
*******************************************              *********************         *
  FIGURED / CHECKED                        *CASH        $*                   *         *
*******************************************              *********************         *
  CHECK ISSUED                             *                                 *         *
*******************************************                                  ***********

                                            TOTAL AVAIL FOR ADVANCE ______   ************
```

A 3122

```
09/20/71            643   DE LUXE TOPPER OVERFLOW                            GROUP  8        / /

ACCTS REC COLL BAL    09/01/71        9,000,000.
   SALES             . CRED          .            .
   IN PROCESS                                     .
   COLLECTIONS                                    .
   ADJUSTMENTS                                    .
GROSS COLLATERAL                                     9,000,000.
   INELIGIBLE                        01/31        .
   PAST DUE MORE THAN        DAYS09/205,000,000.
NET COLLATERAL                           1           4,000,000.
   DISCOUNT          %                            .
   EQUITY       20 %                   800,000.
                                                       A/C REC AVAILABILITY 3,200,000.
LOAN ACCOUNT BAL      09/01/71                    .
   ADVANCES                                       .
   NET COLLECTIONS                                .
   ADJ           .    EC         .                .
                                                       CURRENT LOAN BALANCE          .

                                                       AVAIL ON RECEIVABLES 3,200,000.

OTHER COLLATERAL          .
                                   % AVAILAB                                         .

                                                       TOTAL AVAILABILITY   3,200,000.

                                     ADDITIONAL ITEMS NOT INCLUDED ABOVE
   AMOUNT REQUESTED   $                       *SALES
   APPROVED  A/C EXEC                         *CRED
   V.P.                                       *NET SALES
                                              *PAST DUE
   ADDITL REC PROMISED                        *INELIGIBLE
                                              *TOTAL NET
   MISSING RECEIPTS                           *LESS RESERVE
   FIGURED / CHECKED                          *CASH        $
   CHECK ISSUED
                                    TOTAL AVAIL FOR ADVANCE
```

A 3123

```
09/29/71            666    TOPPER CORPORATION                              L10.00

ACCTS REC COLL BAL     09/01/71  Cr 2,181,873.
   SALES           . CRED   1,094.      1,094.-
   IN PROCESS                                .
   COLLECTIONS                               .
   ADJUSTMENTS                        244,321.-
GROSS COLLATERAL                                   1,936,458.
   INELIGIBLE                         09/19  .
   PAST DUE MORE THAN 030 DAYS09/20          .
NET COLLATERAL                                     1,936,458.
   DISCOUNT          %                       .
   EQUITY       50 %                  968,229.          A/C REC AVAILABILITY    968,229.

LOAN ACCOUNT BAL       09/01/71              .
   ADVANCES                                  .
   NET COLLECTIONS                           .
   ADJ        .    FC                        .          CURRENT LOAN BALANCE           .

                                                        AVAIL ON RECEIVABLES    968,229.

OTHER COLLATERAL        .
                                  % AVAILAB

                                                        TOTAL AVAILABILITY      968,229.

                                            ADDITIONAL ITEMS NOT INCLUDED ABOVE
 ***********************************************************************************
  AMOUNT REQUESTED  $                       *SALES     *          *          *          *
                                            *          ************          *          *
  APPROVED  A/C EXEC                        *CRED      *          *          *          *
                                            *          ************          *          *
  V.P.                                      *NET SALES *          *          *          *
                                            *          ************          *          *
                                            *          *          *          *          *
                                            *PAST DUE  *          *          *          *
 *******************************************                      *          *          *
  ADDTL REC PROMISED                        *INELIGIBLE*          *          *          *
                                            *          ************          *          *
                                            *TOTAL NET *          *          *          *
 *******************************************          *          *          *          *
  MISSING RECEIPTS                          *LESS RESERVE*         *          *          *
 *******************************************          **********************          *
  FIGURED / CHECKED                         *CASH     %*                     *          *
 *******************************************          **********************          *
  CHECK ISSUED                              *                                 *          *
 *******************************************                                  ************
                                          TOTAL AVAIL FOR ADVANCE ............ ************
```

A 3124

09/30/71 399 FINANCE CLIENTS & ACCEPTANCE

TOPPER 667

ACCTS REC COLL BAL	09/01/71	31,054777	
SALES	CRED	5858665	
IN PROCESS		3016650	
COLLECTIONS		4354.954	
ADJUSTMENTS		4300.720	
GROSS COLLATERAL			31,279.418
INELIGIBLE	08/30	138 083.	
PAST DUE MORE THAN	DAYS08/30	9302.606	
NET COLLATERAL			21,838.732
DISCOUNT	%		
EQUITY	20%	4,367.746	

A/C REC AVAILABILITY 17,470.982

LOAN ACCOUNT BAL	09/01/71	
ADVANCES		
NET COLLECTIONS		
ADJ	FC	

CURRENT LOAN BALANCE 7,717.076

AVAIL ON RECEIVABLES 9753.911

OTHER COLLATERAL

% AVAILAB

TOTAL AVAILABILITY 9753.911

ADDITIONAL ITEMS NOT INCLUDED ABOVE

AMOUNT REQUESTED $	SALES				
APPROVED A/C EXEC 400,000	CRED				
V.P.	NET SALES				
	PAST DUE		666	966.229	
ADDTL REC PROMISED	INELIGIBLE		665	1,000033	Limit
	TOTAL NET				
MISSING RECEIPTS	LESS RESERVE				
FIGURED / CHECKED	CASH %				
CHECK ISSUED SEP 30 1971 KLB				7060.030	
				4722 140	
	TOTAL AVAIL FOR ADVANCE				

A-3125

P. EXH 643 -ED

10/24/74

```
                                                                  L67.20   GROUP  %       03/31/72
    09/29/71            567    TOPPER CORPORATION

  ACCTS REC COLL BAL    09/01/71  961  6,660,736.
1251 SALES 6,069,801. CRED 210,136.    5,858,665.
1251-8 IN PROCESS                        816,650.   3016.650-
1277 COLLECTIONS                       4,354,954.
     ADJUSTMENTS                       4,300,720.-
  GROSS COLLATERAL                                 6,119,623.-
     INELIGIBLE                 09/22    138,083.
     PAST DUE MORE THAN 060 DAYS08/19          .
  NET COLLATERAL                                   6,257,706.-
     DISCOUNT      %                           .
     EQUITY     20 %                   1,251,541.          A/C REC AVAILABILITY 7,509,247.-

  LOAN ACCOUNT BAL      09/01/71       5,819,704.
     ADVANCES                          4,475,000.
     NET COLLECTIONS                  16,577,628.
     ADJ         .     FC                      .           CURRENT LOAN BALANCE 6,282,924. CR

                                                           OVERDRAFT            1,226,323.-DEB

  OTHER COLLATERAL 5,974,061.    000 % AVAILAB              OTHER COLLATERAL          .

                                                           OVERDRAFT            1,226,323.-DEB

                                     ADDITIONAL ITEMS NOT INCLUDED ABOVE
  ************************************************************************************
   AMOUNT REQUESTED  $             *SALES         *
                                   *              ***********
   APPROVED  A/C EXEC              *CRED          *
                                   *              ***********
   V.P.                            *NET SALES     *
                                   *              ***********
                                   *              *
                                   *PAST DUE      *
 ***********************************              *
                                   *INELIGIBLE    *
   ADDTL REC PROMISED              *              ***********
                                   *TOTAL NET     *
 ***********************************              *
                                   *LESS RESERVE  *
   MISSING RECEIPTS                *              *****************************
 ***********************************CASH        % *****************************
   FIGURED / CHECKED               *
 ***********************************                              ***************
   CHECK ISSUED                    *
 ***********************************
                                   TOTAL AVAIL FOR ADVANCE        ***************
```

A 3125

```
09/22/71              668    TOPPER CCRPORATION

ACCTS REC COLL BAL    09/01/71       8,403,547.
   SALES.             . CRED
   IN PROCESS
   COLLECTIONS
   ADJUSTMENTS                                    8,403,547.
GROSS COLLATERAL
   INELIGIPLE                   09/22
   PAST DUE MORE THAN        DAYS09/224,302,602.  4,100,945.
NET COLLATERAL
   DISCOUNT           %
   EQUITY       20 %                   820,189.      A/C REC AVAILABILITY 3,280,756.

LOAN ACCOUNT BAL      09/01/71       9,000,000.
   ADVANCES
   NET COLLECTIONS
   ADJ                  FC                           CURRENT LOAN BALANCE 9,000,000.

                                                     OVERDRAFT          5,719,244.-DEB

OTHER COLLATERAL                  % AVAILAB

                                                     OVERDRAFT          5,719,244.-DEB

                                      ADDITIONAL ITEMS NOT INCLUDED ABOVE

AMOUNT REQUESTED $                   SALES
                                     CRED
APPROVED  A/C EXEC
                                     NET SALES
V.P.

                                     PAST DUE

                                     INELIGIBLE
ADDTL REC PROMISED
                                     TOTAL NET

                                     LESS RESERVE
MISSING RECEIPTS
                                     CASH        $
FIGURED / CHECKED

CHECK ISSUED

                                      TOTAL AVAIL FOR ADVANCE
```

A 3127

```
ACCTS REC COLL BAL    09/01/71          6,995,494.
    SALES           . CRED          .            .
    IN PROCESS                                   .
    COLLECTIONS                                  .
    ADJUSTMENTS                                  .
GROSS COLLATERAL                                     6,995,4[illegible].
    INELIGIBLE                     03/16         .
    PAST DUE MORE THAN          DAYS03/16        .
NET COLLATERAL                           1           6,995,4[illegible].
    DISCOUNT         %                           .
    EQUITY      20 %                    1,399,098.
                                                          A/C REC AVAILABILITY 5,596,396.
LOAN ACCOUNT BAL     09/01/71           5,000,000.
    ADVANCES                                     .
    NET COLLECTIONS                              .
    ADJ             .    FC         .            .

                                                          CURRENT LOAN BALANCE 5,000,000.

                                                          AVAIL ON RECEIVABLES    596,396.

OTHER COLLATERAL 6,190,848.                               OTHER COLLATERAL              .
                               000 % AVAILAB
                                                          TOTAL AVAILABILITY      596,396.


                                             ADDITIONAL ITEMS NOT INCLUDED ABOVE
**************************************************************************************
 AMOUNT REQUESTED  $                   *SALES      *          *         *           *
                                       *           ************         *           *
 APPROVED  A/C EXEC                    *CRED       *          *         *           *
                                       *           ************         *           *
 V.P.                                  *NET SALES  *          *         *           *
                                       *           ************         *           *
                                       *           *          *         *           *
                                       *PAST DUE   *          *         *           *
***************************************            *          *         *           *
 ADDTL REC PROMISED                    *INELIGIBLE *          *         *           *
                                       *           ************         *           *
                                       *TOTAL NET  *          *         *           *
                                       *           *          *         *           *
***************************************            *          *         *           *
 MISSING RECEIPTS                      *LESS RESERVE*          *        *           *
***************************************            **********************           *
 FIGURED / CHECKED                     *CASH      %*                    *           *
***************************************            **********************           *
 CHECK ISSUED                          *                                *           *
***************************************                                 *************

                                       TOTAL AVAIL FOR ADVANCE          *************
```

A 3128

```
                                                                                    GROUP  %          /  /
 09/29/71              663    DE LUXE TOPPER *OVERFLOW

 ACCTS REC COLL BAL    09/01/71       9,000,000.
    SALES*            . CRED        .           .
    IN PROCESS                                  .
    COLLECTIONS                                 .
    ADJUSTMENTS                                 .
 GROSS COLLATERAL                                   9,000,000.
    INELIGIBLE                  01/31           .
    PAST DUE MORE THAN      DAYS09/2C5,000,000.
 NET COLLATERAL                                     4,000,000.
    DISCOUNT        %                           .
    EQUITY       20 %                   800,000.
                                                          A/C REC AVAILABILITY 3,200,000.
 LOAN ACCOUNT BAL      09/01/71                 .
    ADVANCES                                    .
    NET COLLECTIONS                             .
    ADJ            .     FC         .           .
                                                          CURRENT LOAN BALANCE          .

                                                          AVAIL ON RECEIVABLES 3,200,000.

 OTHER COLLATERAL           .
                                   % AVAILAB
                                                          TOTAL AVAILABILITY   3,200,000.


                                            ADDITIONAL ITEMS NOT INCLUDED ABOVE
 ******************************************************************************************
  AMOUNT REQUESTED  $                     *SALES        *          *         *          *
                                          *             ***********          *          *
  APPROVED  A/C EXEC                      *CRED         *          *         *          *
                                          *             ***********          *          *
  V.P.                                    *NET SALES    *          *         *          *
                                          *             ***********          *          *
                                          *             *          *         *          *
                                          *PAST DUE     *          *         *          *
 ******************************************             *          *         *          *
  ADDIL REC PROMISED                      *INELIGIBLE   *          *         *          *
                                          *             ***********          *          *
                                          *TOTAL NET    *          *         *          *
 ******************************************             *          *         *          *
  MISSING RECEIPTS                        *LESS RESERVE*                     *          *
 ******************************************             **********************          *
  [illegible]                             *CASH        %*                    *          *
 ******************************************             **********************          *
  [illegible]                             *                                  *          *
 ******************************************                                  ************

                                          TOTAL AVAIL FOR ADVANCE            ************
```

A-3129

```
09/20/71          666    TOPPER CORPORATION                                   L10.00        / /

ACCTS REC COLL BAL    09/01/71   61 2,181,873. /
   SALES              . CRED   1,094.     1,094.-/
   IN PROCESS                                  .
   COLLECTIONS                                 .
   ADJUSTMENTS                          244,321.-
GROSS COLLATERAL                                     1,936,458.
   INELIGIBLE                     08/19        .
   PAST DUE MORE THAN 030 DAYS09/20            .
NET COLLATERAL                             1         1,936,458.
   DISCOUNT         %                          .
   EQUITY      50   %                   968,229.
                                                          A/C REC AVAILABILITY     968,229.
LOAN ACCOUNT BAL      09/01/71                 .
   ADVANCES                                    .
   NET COLLECTIONS                             .
   ADJ              .      FC       .          .
                                                          CURRENT LOAN BALANCE           .

                                                          AVAIL ON RECEIVABLES     968,229.

OTHER COLLATERAL          .       % AVAILAB                                              .

                                                          TOTAL AVAILABILITY       968,229.

                                              ADDITIONAL ITEMS NOT INCLUDED ABOVE
***********************************************************************************************
 AMOUNT REQUESTED  $                      *SALES       *          *          *               *
                                          *            ************          *               *
 APPROVED  A/C EXEC                       *CRED        *          *          *               *
                                          *            ************          *               *
 V.P.                                     *NET SALES   *          *          *               *
                                          *            ************          *               *
                                          *            *          *          *               *
                                          *PAST DUE    *          *          *               *
******************************************             *          *          *               *
 ADDTL REC PROMISED                       *INELIGIBLE  *          *          *               *
                                          *            ************          *               *
                                          *TOTAL NET   *          *          *               *
******************************************             *          *          *               *
 MISSING RECEIPTS                         *LESS RESERVE*          *          *               *
******************************************             ***********************               *
 FIGURED / CHECKED                        *CASH       %*                     *               *
******************************************             ***********************               *
 CHECK ISSUED                             *                                  *****************
******************************************

                                          TOTAL AVAIL FOR ADVANCE            *****************
```

A-3430

```
09/20/71        665   BILL AND HOLD,TOPPER                          L10.00   GROUP  %

     ACCTS REC COLL BAL  09/01/71                        .
73     SALES   135,609. CRED          .       135,609.
74     IN PROCESS                               6,928.
       COLLECTIONS                                   .
       ADJUSTMENTS                          4,823,552.
     GROSS COLLATERAL                                         4,966,089.
       INELIGIBLE                     08/19          .
       PAST DUE MORE THAN 060 DAYS09/20              .
     NET COLLATERAL                                           4,966,089.
       DISCOUNT       %                       1      .
       EQUITY      75 %                     3,724,566.
                                                              A/C REC AVAILABILITY 1,241,523.
     LOAN ACCOUNT BAL     09/01/71                   .
       ADVANCES                                      .
       NET COLLECTIONS                               .
       ADJ              .   FC        .              .
                                                              CURRENT LOAN BALANCE          .

                                                              AVAIL ON RECEIVABLES 1,241,523.

     OTHER COLLATERAL          .
                                         % AVAILAB                                          .

                                                              TOTAL AVAILABILITY   1,241,523.

                                               ADDITIONAL ITEMS NOT INCLUDED ABOVE
   ***************************************************************************************
     AMOUNT REQUESTED  $                      *SALES       *          *          *          *
                                              *            ************          *          *
     APPROVED  A/C EXEC                       *CRED        *          *          *          *
                                              *            ************          *          *
     V.P.                                     *NET SALES   *          *          *          *
                                              *            ************          *          *
                                              *            *          *          *          *
                                              *PAST DUE    *          *          *          *
   *******************************************             *          *          *          *
     ADDTL REC PROMISED                       *INELIGIBLE  *          *          *          *
                                              *            ************          *          *
                                              *TOTAL NET   *          *          *          *
   *******************************************             *          *          *          *
     MISSING RECEIPTS                         *LESS RESERVE*          *          *          *
   **************************************************************************           *
     FIGURED / CHECKED                        *CASH      $*                      *          *
   **************************************************************************           *
     CHECK ISSUED                             *                                  *          *
   *******************************************                                  ************

                                             TOTAL AVAIL FOR ADVANCE             ************
```

A 3131

04130F?2

09/30/71 ~~765~~ TRITON-LITHOGRAPHY CORPORATION ~~10-25~~ 667

TOPPER

ACCTS REC COLL BAL 09/01/71 31,059777.
SALES CRED 7674.777.
IN PROCESS 1,240.581.
COLLECTIONS 4809024
ADJUSTMENTS 4300720
GROSS COLLATERAL 30,825.351.
INELIGIBLE 06/30 138083
PAST DUE MORE THAN 060 DAYS06/30 4,302.602 21,384666
NET COLLATERAL
DISCOUNT %
EQUITY 20 % 4,276.933 . A/C REC AVAILABILITY 17,107.732

LOAN ACCOUNT BAL 09/01/71
ADVANCES
NET COLLECTIONS
ADJ FC CURRENT LOAN BALANCE 7,831501.
AVAIL ON RECEIVABLES 9,271.231.

OTHER COLLATERAL % AVAILAB

TOTAL AVAILABILITY 9,271.231 .

ADDITIONAL ITEMS NOT INCLUDED ABOVE

AMOUNT REQUESTED $
APPROVED A/C EXEC 150,000
V.P.

ADDTL REC PROMISED

MISSING RECEIPTS

FIGURED / CHECKED

CHECK ISSUED OCT 1 1971 K

SALES 1256 423891
CRED 867 53092 296.640
NET SALES 370.799
Cr 666 468.224
PAST DUE 665 1,000.000 Limit
INELIGIBLE
TOTAL NET
LESS RESERVE
CASH
reserve 7000.000
~~4237.460~~ 4,536,100

TOTAL AVAIL FOR ADVANCE

R.E. P. EXH 644

10/2?/71

```
                                                                L67.20  GROUP         03/31/72
    09/30/71                 667   TOPPER CORPORATION
                                         866
     ACCTS REC COLL BAL      09/01/71         6,660,736.
1254  SALES 7,944,873.  CRED 210,136.        7,634,737.    1249.581
1355  IN PROCESS                                540,580.
1298  COLLECTIONS                             4,809,024.
      ADJUSTMENTS                             4,300,720.-
     GROSS COLLATERAL                                    4,573,691.-
        INELIGIBLE                   09/22    138,083.
        PAST DUE MORE THAN 060 DAYS08/19                 4,711,774.-
     NET COLLATERAL
        DISCOUNT        %
        EQUITY       20 %                     942,354.       A/C REC AVAILABILITY 5,654,128.-

     LOAN ACCOUNT BAL        09/01/71         5,919,704.
        ADVANCES                              4,875,000.
        NET COLLECTIONS                      16,858,203.
        ADJ               .    FC                            CURRENT LOAN BALANCE 6,163,499. CR

                                                             AVAIL ON RECEIVABLES    509,371.

     OTHER COLLATERAL 5,974,061.                             OTHER COLLATERAL
                                      000 % AVAILAB
                                                             TOTAL AVAILABILITY      509,371.

                                                ADDITIONAL ITEMS NOT INCLUDED ABOVE
   ********************************************
   AMOUNT REQUESTED  $                        *SALES        *          *         *          *
                                              *             ************         *          *
   APPROVED  A/C EXEC                         *CRED         *          *         *          *
                                              *             ************         *          *
   V.P.                                       *NET SALES    *          *         *          *
                                              *             ************         *          *
                                              *             *          *         *          *
                                              *PAST DUE     *          *         *          *
   ********************************************             *          *         *          *
   ADDTL REC PROMISED                         *INELIGIBLE   *          *         *          *
                                              *             ************         *          *
                                              *TOTAL NET    *          *         *          *
   ********************************************             *          *         *          *
   MISSING RECEIPTS                           *LESS RESERVE*                     *          *
   ********************************************             ********************** *        *
   FIGURED / CHECKED                          *CASH         %*                   *          *
   ********************************************             **********************          *
   CHECK ISSUED                               *                                  ************
   ********************************************
                                                                                 ************
                        TOTAL AVAIL FOR ADVANCE
```

A 3133

```
   09/30/71              666    TOPPER CORPORATION
 ACCTS REC COLL BAL   09/01/71          8,403,547.
     SALES                   CRED                  .
     IN PROCESS                                    .
     COLLECTIONS                                   .
     ADJUSTMENTS                                   .   8,403,547.
 GROSS COLLATERAL
     INELIGIBLE                        09/22       .
     PAST DUE MORE THAN           DAYS09/224,302,602.   4,100,945.
 NET COLLATERAL
     DISCOUNT          %                           .
     EQUITY      20 %                     820,139.        A/C REC AVAILABILITY 3,280,756.

 LOAN ACCOUNT BAL     09/01/71          9,000,000.
     ADVANCES                                      .
     NET COLLECTIONS                               .
     ADJ           .     FC          .             .      CURRENT LOAN BALANCE 9,000,000.

                                                          OVERDRAFT            5,719,244.-DEB

 OTHER COLLATERAL                     % AVAILAB                                .

                                                          OVERDRAFT            5,719,244.-DEB

                                            ADDITIONAL ITEMS NOT INCLUDED ABOVE
                                                     ******************************************
 ******************************************************SALES      *          *          *          *
  AMOUNT REQUESTED   $                     *          ************          *          *
                                           *CRED      *          *          *          *
  APPROVED  A/C EXEC                       *          ************          *          *
                                           *NET SALES *          *          *          *
  V.P.                                     *          ************          *          *
                                           *          *          *          *          *
                                           *PAST DUE  *          *          *          *
 ******************************************          *          *          *          *
                                           *INELIGIBLE*          *          *          *
  ADDTL REC PROMISED                       *          ************          *          *
                                           *TOTAL NET *          *          *          *
 ******************************************          *          *          *          *
                                           *LESS RESERVE*********************          *
  MISSING RECEIPTS                         *                                *          *
 ******************************************CASH       %*********************          *
  FIGURED / CHECKED                        *                                *          *
 ******************************************                                 ************
  CHECK ISSUED                             *
 ******************************************

                                            TOTAL AVAIL FOR ADVANCE         ************
```

A 3134

```
   09/30/71          664   OVERFLOW ON ACCT. 667                          GROUP  %
 ACCTS REC COLL BAL   09/01/71        6,995,494.
     SALES              . CRED                    .
     IN PROCESS                                   .
     COLLECTIONS                                  .
     ADJUSTMENTS                                  .
 GROSS COLLATERAL                                   6,995,494.
     INELIGIBLE                  03/16            .
     PAST DUE MORE THAN       DAYS03/16           .
 NET COLLATERAL                                     6,995,494.
     DISCOUNT        %                            .
     EQUITY       20 %               1,399,098.
                                                          A/C REC AVAILABILITY 5,596,396.
 LOAN ACCOUNT BAL     09/01/71       5,000,000.
     ADVANCES                                     .
     NET COLLECTIONS                              .
     ADJ              .    FC              .      .
                                                          CURRENT LOAN BALANCE 5,000,000.

                                                          AVAIL ON RECEIVABLES    596,396.

  OTHER COLLATERAL 6,190,848.
                                 000 % AVAILAB            OTHER COLLATERAL              .

                                                          TOTAL AVAILABILITY      596,396.

                                            ADDITIONAL ITEMS NOT INCLUDED ABOVE
 **************************************************************************************
  AMOUNT REQUESTED  $                *SALES        *          *           *          *
                                     *             ************           *          *
  APPROVED  A/C EXEC                 *CRED         *          *           *          *
                                     *             ************           *          *
  V.P.                               *NET SALES    *          *           *          *
                                     *             ************           *          *
                                     *             *          *           *          *
                                     *PAST DUE     *          *           *          *
 *************************************             *          *           *          *
  ADDTL REC PROMISED                 *INELIGIBLE   *          *           *          *
                                     *             ************           *          *
                                     *TOTAL NET    *          *           *          *
 *************************************             *          *           *          *
  MISSING RECEIPTS                   *LESS RESERVE*           *           *          *
 *************************************             ************************          *
  FIGURED / CHECKED                  *CASH        %*                      *          *
 *************************************             ************************          *
  CHECK  ISSUED                      *                                    *          *
 *************************************                                    ************

                                      TOTAL AVAIL FOR ADVANCE             ************
```

A 3135

```
   09/30/71              663   DE LUXE TOPPER *OVERFLCH

 ACCTS REC COLL BAL    09/01/71          9,000,000.
    SALES                 . CRED                     .
    IN PROCESS                                       .
    COLLECTIONS                                      .
    ADJUSTMENTS                                      .    9,000,000.
 GROSS COLLATERAL
    INELIGIBLE                     01/31             .
    PAST DUE MORE THAN         DAYS09/205,000,000.
                                                          4,000,000.
 NET COLLATERAL
    DISCOUNT      %                  $               .
    EQUITY     20 %                      800,000.              A/C REC AVAILABILITY 3,200,000.

 LOAN ACCOUNT BAL      09/01/71                      .
    ADVANCES                                         .
    NET COLLECTIONS                                  .
    ADJ         .      FC            .                         CURRENT LOAN BALANCE        .

                                                               AVAIL ON RECEIVABLES 3,200,000.

 OTHER COLLATERAL           .         % AVAILAB

                                                               TOTAL AVAILABILITY   3,200,000.

                                            ADDITIONAL ITEMS NOT INCLUDED ABOVE
***************************************************************************************************
 AMOUNT REQUESTED  $                 *SALES          *          *         *           *
                                     *               ***********          *           *
 APPROVED  A/C EXEC                  *CRED           *          *         *           *
                                     *               ***********          *           *
 V.P.                                *NET SALES      *          *         *           *
                                     *               ***********          *           *
                                     *               *          *         *           *
                                     *PAST DUE       *          *         *           *
                                     *               *          *         *           *
*************************************                *          *         *           *
                                     *INELIGIBLE     *          *         *           *
 ADDTL REC PROMISED                  *               ***********          *           *
                                     *TOTAL NET      *          *         *           *
                                     *               *          *         *           *
*************************************                *          *         *           *
                                     *LESS RESERVE*                       *           *
 MISSING RECEIPTS                    *               **********************           *
*************************************                                     *           *
                                     *CASH        %*                      *           *
 FIGURED / CHECKED                   *               **********************           *
*************************************                                     *           *
                                     *                                    *************
 CHECK ISSUED                        *
*************************************
                                                                          *************
                                       TOTAL AVAIL FOR ADVANCE
```

L10.00

09/30/71 644 TOPPER CORPORATION

65

ACCTS. REC COLL BAL 09/01/71 2,181,873.
SALES . CRED 1,094. 1,094.-
IN PROCESS
COLLECTIONS 244,321.-
ADJUSTMENTS 1,936,458.
GROSS COLLATERAL
INELIGIBLE 08/19
PAST DUE MORE THAN 030 DAYS09/20 1,936,458.
NET COLLATERAL
DISCOUNT %
EQUITY 50 % 968,229. A/C REC AVAILABILITY 968,229.

LOAN ACCOUNT BAL 09/01/71
ADVANCES
NET COLLECTIONS
ADJ . FC .
CURRENT LOAN BALANCE .

AVAIL ON RECEIVABLES 968,229.

OTHER COLLATERAL % AVAILAB

TOTAL AVAILABILITY 968,229.

ADDITIONAL ITEMS NOT INCLUDED ABOVE

AMOUNT REQUESTED $

APPROVED A/C EXEC

V.P.

ACCTS REC PROMISED

MISSING RECEIPTS

FIGURED / CHECKED

CHECK ISSUED

SALES
CRED
NET SALES
PAST DUE
INELIGIBLE
TOTAL NET
LESS RESERVE
CASH

TOTAL AVAIL FOR ADVANCE

A 3137

```
   09/30/71            665    BILL AND HOLD,TOPPER
   ACCTS.REC COLL BAL     09/01/71
74 SALES     142,538. CRED              142,538.
     IN PROCESS
     COLLECTIONS
     ADJUSTMENTS.                     4,823,552.     4,966,090.
  GROSS COLLATERAL
     INELIGIBLE                    08/19
     PAST DUE MORE THAN 060 DAYS09/20               4,966,090.
  NET COLLATERAL
     DISCOUNT      %
     EQUITY     75 %                  3,724,567.         A/C REC AVAILABILITY 1,241,523.

  LOAN ACCOUNT BAL      09/01/71
     ADVANCES
     NET COLLECTIONS
     ADJ               .    FC                           CURRENT LOAN BALANCE          .

                                                         AVAIL ON RECEIVABLES 1,241,523.

  OTHER COLLATERAL                .
                                        % AVAILAB

                                                         TOTAL AVAILABILITY    1,241,5.

                                        ADDITIONAL ITEMS NOT INCLUDED ABOVE

  AMOUNT REQUESTED  $                  SALES

  APPROVED  A/C EXEC                   CRED

  V.P.                                 NET SALES

                                       PAST DUE

  ADDTL REC PROMISED                   INELIGIBLE

                                       TOTAL NET

                                       LESS RESERVE

  MISSING RECEIPTS                     CASH       $

  FIGURED / CHECKED                                                               X

  CHECK ISSUED

                                      TOTAL AVAIL FOR ADVANCE
```

A 3138

ACCTS REC BAL 05/01/71 257, 854
SALES CRED 2551004
IN PROCESS 51597
COLLECTIONS 2554471
ADJUSTMENTS 473660
GROSS COLLATERAL 2625|724
INELIGIBLE 05/2624209 31
PAST DUE MORE THAN DAYS05/177359227
NET COLLATERAL 1647|566
DISCOUNT
EQUITY 20% 3294313
A/C REC AVAILABILITY 13|77253

LOAN ACCOUNT BAL 05/01/71 ~~[illegible]~~ CR
ADVANCES
NET COLLECTIONS
ADJ EC

CURRENT LOAN BALANCE ~~[illegible]~~ 13906784
AVAIL ON RECEIVABLES ~~[illegible]~~ 724531
OTHER COLLATERAL % AVAILAB
TOTAL AVAILABILITY ~~[illegible]~~ 724531

ADDITIONAL ITEMS NOT INCLUDED ABOVE

SALES			
CRED			
NET SALES			
PAST DUE			
INELIGIBLE		666	91333
TOTAL NET			
LESS RESERVE			
CASH			

ADJ A/C EXEC 340,000

TOTAL AVAIL FOR ADVANCE 633198

OTT-6/24/-40

P. EXH 645 - RD
10/24/74

A 3139

```
05/27/71          657          TOPPER CORPORATION

ACCT REC COLL BAL  05/01/71  745  6,597,913.
1166 SALES 3,526,933./CRED 942,929/  2,584,004.
1157-6537 PROCESS 796-97                51,597./
                                     2,854,491./
1213 COLLECTIONS                       473,660.
     ADJUSTMENTS                                  6,852,683.
GROSS COLLATERAL               05/272,388,886.
     INELIGIBLE
     PAST DUE MORE THAN 060 DAYS05/18             4,463,797.
NET COLLATERAL
     DISCOUNT
     EQUITY        20                  892,759.     A/C REC AVAILABILITY 3,571,038.

LOAN ACCOUNT BAL    05/01/71          7,958,554.
     ADVANCES                         5,900,613.
     NET COLLECTIONS                  8,952,383.
     ADJ                FC                          CURRENT LOAN BALANCE 4,906,784.

                                                    OVERDRAFT          1,335,746.-DEB

OTHER COLLATERAL 6,682,316.    000 % AVAILAB        OTHER COLLATERAL

                                                    OVERDRAFT          1,335,746.-DEB

                                 ADDITIONAL ITEMS NOT INCLUDED ABOVE
AMOUNT REQUESTED $                *SALES
APPROVED A/C REC                  *CRED
W.O.                              *NET SALES
                                  *PAST DUE
                                  *INELIGIBLE
                                  *TOTAL NET
                                  *LESS RESERVE
                                  *CASH

                                  TOTAL AVAIL FOR ADVANCE
```

A 3140

```
[illegible]        [illegible]65   DELUXE [illegible] 667 OVFL                              GROUP  [illegible]       /  /

ACCTS REC COLL BAL   05/01/71        8,403,547.
   SALES           . CRED                      .
   [illegible] CREDITS                         .
   COLLECTIONS                                 .
   ADJUSTMENTS                                 .
GROSS COLLATERAL                                        8,403,547.
   INELIGIBLE                  05/25           .
   [illegible]               DAYS05/257,388,659.
[illegible] COLLATERAL                                  1,014,888.
   [illegible]                                 .
   EQUITY       20 %               .   202,977.
                                                             A/C REC AVAILABILITY    811,911.
LOAN ACCOUNT BAL     05/01/71        9,000,000.
   ADVANCES                                    .
   [illegible] COLLECTIONS                     .
   ADJ          .    FC                        .

                                                             CURRENT LOAN BALANCE 9,000,000.

                                                             OVERDRAFT               8,188,089.-DEB

OTHER COLLATERAL
                                 % AVAILAB

                                                             OVERDRAFT               8,188,089.-DEB


                                          ADDITIONAL ITEMS NOT INCLUDED ABOVE
*****************************************************************************************************
[illegible]                            *SALES       *          *          *          *
                                       *            ************          *          *
[illegible] A/C [illegible]            *CRED        *          *          *          *
                                       *            ************          *          *
[illegible]                            *NET SALES   *          *          *          *
                                       *            ************          *          *
                                       *            *          *          *          *
                                       *PAST DUE    *          *          *          *
***************************************             *          *          *          *
[illegible]                            *INELIGIBLE  *          *          *          *
                                       *            ************          *          *
                                       *TOTAL NET   *          *          *          *
***************************************             *          *          *          *
[illegible]                            *LESS RESERVE*          *          *          *
***************************************             ***********************          *
[illegible]                            *CASH        **                    *          *
***************************************             ***********************          *
[illegible]                            *                                  *          *
***************************************                                   ************

                                         TOTAL AVAIL FOR ADVANCE   .      **************
```

A-3141

```
ACCTS REC COLL BAL   05/01/71        6,995,494.
   SALES           . CRED
   IN PROCESS
   COLLECTIONS
   ADJUSTMENTS
GROSS COLLATERAL                                 6,995,494.
   INELIGIBLE                  03/16
   PAST DUE MORE THAN       DAYS03/16
NET COLLATERAL                                   6,995,494.
   DISCOUNT
   EQUITY      20 %                   1,399,098.          A/C REC AVAILABILITY 5,596,396.

LOAN ACCOUNT BAL     05/01/71
   ADVANCES
   NET COLLECTIONS
   ADJ              .    FC                               CURRENT LOAN BALANCE

                                                          AVAIL ON RECEIVABLES 5,596,396.

OTHER COLLATERAL
                               % AVAILAB

                                                          TOTAL AVAILABILITY    5,596,396.


                                   ADDITIONAL ITEMS NOT INCLUDED ABOVE
***********************************************************************************************
                                  *SALES        *           *        *              *
                                  *             ************        *              *
                                  *CRED         *           *        *              *
                                  *             ************        *              *
                                  *NET SALES    *           *        *              *
                                  *             ************        *              *
                                  *             *           *        *              *
                                  *PAST DUE     *           *        *              *
**********************************              *           *        *              *
                                  *INELIGIBLE   *           *        *              *
                                  *             ************        *              *
                                  *TOTAL NET    *           *        *              *
**********************************              *           *        *              *
                                  *LESS RESERVE*           *        *              *
**********************************              *********************              *
                                  *CASH         **                  *              *
**********************************              *********************              *
                                  *                                 *              *
**********************************                                  ****************

                                   TOTAL AVAIL FOR ADVANCE          ****************
```

```
[illegible]          6.3    DE LUXE TOPPER OVERFLOW                          GROUP %        / /

ACCTS REC COLL BAL   05/01/71          4,000,000.
    SALES            . CRED       .           .
    IN PROCESS                                .
    COLLECTIONS                               .
    ADJUSTMENTS                               .
GROSS COLLATERAL                                   4,000,000.
    INELIGIBLE                   01/31        .
    PAST DUE MORE THAN        DAYS05/06
NET COLLATERAL                                     4,000,000.
    DISCOUNT         %                        .
    EQUITY       20.%                  800,000.
                                                      A/C REC AVAILABILITY 3,200,000.
LOAN ACCOUNT BAL     05/01/71                 .
    ADVANCES                                  .
    NET COLLECTIONS                           .
    ADJ           .   FC          .           .
                                                      CURRENT LOAN BALANCE            .

                                                      AVAIL ON RECEIVABLES 3,200,000.
OTHER COLLATERAL              .
                        % AVAILAB                                                     .

                                                      TOTAL AVAILABILITY    3,200,000.

                                          ADDITIONAL ITEMS NOT INCLUDED ABOVE
*************************************************************************************************
[illegible]  $.                         *SALES      *          *          *          *
                                        *           ************
[illegible]  W/C [illegible]            *CRED       *          *          *          *
                                        *           ************
[illegible]                             *NET SALES  *          *          *          *
                                        *           ************
                                        *           *          *          *          *
                                        *PAST DUE   *          *          *          *
*****************************************           *          *          *          *
[illegible]                             *INELIGIBLE *          *          *          *
                                        *           ************          *          *
                                        *TOTAL NET  *          *          *          *
*****************************************           *          *          *          *
[illegible]                             *LESS RESERVE*         *          *          *
*****************************************           ***********************          *
[illegible]                              CASH       *                     *          *
*****************************************           ***********************          *
[illegible]                             *                                 *          *
*****************************************                                 ************

                                          TOTAL AVAIL FOR ADVANCE         **************
```

A 3143

```
 ~~31
 [illegible]            166   UNSHIPPED RIGHTS DE LUXE,TOPPER CORP                                     / /

 [illegible] A/C [illegible] BAL  05/01/71        135,999.
 53   [illegible]  137,339./CRED                  137,339.
 54   [illegible]S                                  4,393./
      [illegible] COLLECTIONS
      ADJUSTMENTS                                  94,965.-
 GROSS COLLATERAL                                             182,666.
      INELIGIBLE                       05/25
      PAST DUE MORE THAN         DAYS05/25
 NET COLLATERAL                                               182,666.
      [illegible]
      [illegible]      50                          91,333.          A/C REC AVAILABILITY      91,333.

 LOAN ACCOUNT BAL      05/01/71
      [illegible]
      NET COLLECTIONS
      [illegible]              [illegible]
                                                                      CURRENT LOAN BALANCE

                                                                      AVAIL ON RECEIVABLES      91,333.

 OTHER COLLATERAL                          % AVAILAB

                                                                      TOTAL AVAILABILITY        91,333.

                                                      ADDITIONAL ITEMS NOT INCLUDED ABOVE
                                           *SALES
 [illegible]
                                           *CRED
 [illegible]
                                           *NET SALES
 [illegible]

                                           *PAST DUE

                                           *INELIGIBLE
 [illegible]
                                           *TOTAL NET

                                           *LESS RESERVE

                                           *CASH



                                           *TOTAL AVAIL FOR ADVANCE                                   x
```

A 3141

TOPPER 667 11-0

06/30/71 ~~[illegible]~~

ACCTS REC COLL BAL 06/01/71 26200126.
SALES . CRED 4742602.
IN PROCESS 1132436.
COLLECTIONS 2476010.
ADJUSTMENTS 1549900.
GROSS COLLATERAL 28049244.
INELIGIBLE 06/29 4051295.
PAST DUE MORE THAN DAYS 05/31 3614146.
NET COLLATERAL 20338203.
DISCOUNT %
EQUITY 20% 4067640.

A/C REC AVAILABILITY 16270563.

LOAN ACCOUNT BAL 06/01/71 ~~[illegible]~~
ADVANCES
NET COLLECTIONS
ADJ FC

CURRENT LOAN BALANCE ~~[illegible]~~ 18177471

AVAIL ON RECEIVABLES ~~[illegible]~~ 1906.908.

OTHER COLLATERAL % AVAILAB

TOTAL AVAILABILITY ~~[illegible]~~ 1906.908

ADDITIONAL ITEMS NOT INCLUDED ABOVE

AMOUNT REQUESTED 100000

APPROVED A/C EXEC

V.P.

ADDIL REC # CHECKED

MISSING RECEIPTS

CHARGES / CHECKED

CHECK ISSUED JUL 1971 KKB

SALES		
CRED		
NET SALES		
PAST DUE		
INELIGIBLE		
TOTAL NET	666	1119348
LESS RESERVE		
CASH		

TOTAL AVAIL FOR ADVANCE 787560

A 3145

P. EXH 646-RB
10/24/74

```
06/30/71          667          TOPPER CORPORATION                    L77.70   GROUP %        03/31/72

     ACCTS REC COLL BAL    06/01/71 818  6,801,085.
 1188 SALES 6,297,029./CRED ~~544,427.~~  5,742,602.
1159-1190IN PROCESS 819        1544427   ~~737,486.~~ / 1132486
   1235 COLLECTIONS                      2,476,070./
        ADJUSTMENTS                      1,549,900.-
     GROSS COLLATERAL                                  1,349,797.-
        INELIGIBLE               06/304,091,295.
        PAST DUE MORE THAN 060 DAYS06/24          .
     NET COLLATERAL                                    5,441,092.-
        DISCOUNT      %                           .
        EQUITY     20 %                  1,088,218.
                                                          A/C REC AVAILABILITY 6,529,310.-
     LOAN ACCOUNT BAL     06/01/71       5,017,466.
        ADVANCES                         6,463,586.
        NET COLLECTIONS                  2,303,581.
        ADJ        .    FC                        .

                                                          CURRENT LOAN BALANCE 9,177,471.

                                                          OVERDRAFT              15,706,781.-DEB

     OTHER COLLATERAL 7,162,248.
                            000 % AVAILAB                 OTHER COLLATERAL

                                                          OVERDRAFT              15,706,781.-DEB

                                                ADDITIONAL ITEMS NOT INCLUDED ABOVE
   ********************************************************************************************
     AMOUNT / CK ISSUED 1               *SALES        *          *          *          *
                                        *             ************          *          *
     APPROVED A/C EXEC                  *CRED         *          *          *          *
                                        *             ************          *          *
     V.P.                               *NET SALES    *          *          *          *
                                        *             ************          *          *
                                        *.            *          *          *          *
                                        *PAST DUE     *          *          *          *
   ****************************************           *          *          *          *
     ADDTL REQ / ISSD                   *INELIGIBLE   *          *          *          *
                                        *             ************          *          *
                                        *TOTAL NET    *          *          *          *
   ****************************************           *          *          *          *
     MISSING RECEIPTS                   *LESS RESERVE *          *          *          *
   ****************************************           ***********************          *
     FIGURED / CHECKED                  *CASH        **                     *          *
   ****************************************           ***********************          *
     CHECK ISSUED                       *                                   *          *
   ****************************************                                 ************

                                        TOTAL AVAIL FOR ADVANCE             ************
```

A 3145

```
06/30/71              665    DELUXE TOPPER 667 OVFL                                    GROUP  %

ACCTS REC COLL BAL    06/01/71       8,403,547.
   SALES              . CRED                  .
   IN PROCESS                                 .
   COLLECTIONS                                .
   ADJUSTMENTS                                .
GROSS COLLATERAL                                        8,403,547.
   INELIGIBLE                     06/30       .
   PAST DUE MORE THAN        DAYS06/243,619,746.
NET COLLATERAL                                          4,783,801.
   DISCOUNT          %                  !     .
   EQUITY         20 %                 956,760.
                                                           A/C REC AVAILABILITY 3,827,041.
LOAN ACCOUNT BAL      06/01/71       9,000,000.
   ADVANCES                                   .
   NET COLLECTIONS                            .
   ADJ               .    FC                  .
                                                           CURRENT LOAN BALANCE 9,000,000.

                                                           OVERDRAFT             5,172,959.-DEB

OTHER COLLATERAL
                                   % AVAILAB

                                                           OVERDRAFT             5,172,959.-DEB

                                                 ADDITIONAL ITEMS NOT INCLUDED ABOVE
**************************************************************************************************
  AMOUNT REQUESTED $                       *SALES         *          *          *          *
                                           *              ************          *          *
  APPROVED  A/C EXEC                       *CRED          *          *          *          *
                                           *              ************          *          *
  V.P.                                     *NET SALES     *          *          *          *
                                           *              ************          *          *
                                           *              *          *          *          *
                                           *PAST DUE      *          *          *          *
*******************************************               *          *          *          *
  ADDIT REC P MISC                         *INELIGIBLE    *          *          *          *
                                           *              ************          *          *
                                           *TOTAL NET     *          *          *          *
*******************************************               *          *          *          *
  MISSING RECEIPTS                         *LESS RESERVE  *          *          *          *
*******************************************               ***********************          *
  FIGURED / CHECKED                        *CASH        2 *                     *          *
*******************************************               ***********************          *
  CHECK ISSUED                             *                                    *          *
*******************************************                                     ************

                                            TOTAL AVAIL FOR ADVANCE             ************
```

A 3147

```
ACCTS REC COLL BAL    06/01/71          6,995,494.
    SALES  .  .       . CRED        .           .
    IN PROCESS
    COLLECTIONS                                 .
    ADJUSTMENTS                                 .
GROSS COLLATERAL                                .    6,995,494.
    INELIGIBLE                     03/16
    PAST DUE MORE THAN          DAYS03/16       .
NET COLLATERAL                                  .    6,995,494.
    DISCOUNT          %                   $     .
    EQUITY         20 %                 1,399,098.
                                                      A/C REC AVAILABILITY 5,596,396.
LOAN ACCOUNT BAL      06/01/71                  .
    ADVANCES                                    .
    NET COLLECTIONS                             .
    ADJ               .   FC            .       .
                                                      CURRENT LOAN BALANCE           .

                                                      AVAIL ON RECEIVABLES 5,596,396.
OTHER COLLATERAL          .
                                    % AVAILAB                                        .

                                                      TOTAL AVAILABILITY   5,596,396.

                                            ADDITIONAL ITEMS NOT INCLUDED ABOVE
*********************************************************************************************
  AMOUNT REQUESTED  $                    *SALES         *          *           *          *
                                         *              ************           *          *
  APPROVED  A/C EXEC                     *CRED          *          *           *          *
                                         *              ************           *          *
  V.P.                                   *NET SALES     *          *           *          *
                                         *              ************           *          *
                                         *              *          *           *          *
                                         *PAST DUE      *          *           *          *
*****************************************               *          *           *          *
  AUDIT REC PROMISED                     *INELIGIBLE    *          *           *          *
                                         *              ************           *          *
                                         *TOTAL NET     *          *           *          *
*****************************************               *          *           *          *
  MISSING RECEIPTS                       *LESS RESERVE  *          *           *          *
*****************************************               ************************          *
  FLOOR P / CHECKED                      *CASH        2 *                      *          *
*****************************************               ************************          *
  CHECK ISSUED                           *                                     *          *
*****************************************                                      ************

                                         TOTAL AVAIL FOR ADVANCE               ************
```

A 3148

```
ACCTS REC COLL BAL     06/01/71          4,000,000.
    SALES                . CRED
    IN PROCESS
    COLLECTIONS
    ADJUSTMENTS
GROSS COLLATERAL                                       4,000,000.
    INELIGIBLE                       01/31
    PAST DUE MORE THAN           DAYS06/10
NET COLLATERAL                                         4,000,000.
    DISCOUNT        %
    EQUITY       20 %                      800,000.
                                                            A/C REC AVAILABILITY 3,200,000.
LOAN ACCOUNT BAL        06/01/71
    ADVANCES
    NET COLLECTIONS
    ADJ                 FC

                                                            CURRENT LOAN BALANCE

                                                            AVAIL ON RECEIVABLES 3,200,000.
OTHER COLLATERAL
                                       % AVAILAB

                                                            TOTAL AVAILABILITY   3,200,000.

                                                  ADDITIONAL ITEMS NOT INCLUDED ABOVE
**************************************************************************************
  AMOUNT REQUESTED $                     *SALES      *          *          *          *
                                         *           ************          *          *
  APPROVED A/C EXEC                      *CRED       *          *          *          *
                                         *           ************          *          *
  V.P.                                   *NET SALES  *          *          *          *
                                         *           ************          *          *
                                         *           *          *          *          *
                                         *PAST DUE   *          *          *          *
*****************************************            *          *          *          *
  ACCT [illegible] REVISED               *INELIGIBLE *          *          *          *
                                         *           ************          *          *
                                         *TOTAL NET  *          *          *          *
*****************************************            *          *          *          *
  MISSING RECEIPTS                       *LESS RESERVE          *          *          *
*****************************************            ***********************          *
  INVOICE / RECORDED                     *CASH       *                     *          *
*****************************************            ***********************          *
  CHECK ISSUED                           *                                 *          *
*****************************************                                  ************

                                          TOTAL AVAIL FOR ADVANCE          ************
```

A 3149

```
06/30/71          664    UNSHIPPED RIGHTS DE LUXE,TOPPER CORP

   ACCTS REC COLL BAL    06/01/71          178,273.
56 SALES    14,613./CRED        .           14,613.
57-58 IN PROCESS                            92,116.
      COLLECTIONS                                 .
      ADJUSTMENTS                         1,953,693.
   GROSS COLLATERAL                                     2,238,695.
      INELIGIBLE                   06/30          .
      PAST DUE MORE THAN       DAYS06/24          .
   NET COLLATERAL                                       2,238,695.
      DISCOUNT       %                            .
      EQUITY      50 %                    1,119,347.
                                                        A/C REC AVAILABILITY 1,119,348.
   LOAN ACCOUNT BAL      06/01/71                 .
      ADVANCES                                    .
      NET COLLECTIONS                             .
      ADJ           .     FC        .             .
                                                        CURRENT LOAN BALANCE        .

                                                        AVAIL ON RECEIVABLES 1,119,348.
   OTHER COLLATERAL             .
                                     % AVAILAB                                      .

                                                        TOTAL AVAILABILITY   1,119,348.


                                                ADDITIONAL ITEMS NOT INCLUDED ABOVE
*************************************************************************************
  AMOUNT REQUESTED $                       *SALES       *           *         *           *
                                           *            ************          *           *
  APPROVED  A/C EXEC                       *CRED        *           *         *           *
                                           *            ************          *           *
  V.P.                                     *NET SALES   *           *         *           *
                                           *            ************          *           *
                                           *            *           *         *           *
                                           *PAST DUE    *           *         *           *
*******************************************             *           *         *           *
  ADDTL R.C [illegible]                    *INELIGIBLE  *           *         *           *
                                           *            ************          *           *
                                           *TOTAL NET   *           *         *           *
*******************************************             *           *         *           *
  MISSING RECEIPTS                         *LESS RESERVE*           *         *           *
*******************************************  ***********************          *           *
  [illegible]                              *CASH        $*                    *           *
*******************************************  ***********************          *           *
  [illegible]                              *                                  *           *
*******************************************                                   *************

                                           TOTAL AVAIL FOR ADVANCE            *************
```

A 3150

[illegible] BAL 07/01/71 . 26916755.
SALES . CRED . 5676917.
IN PROCESS 467162.
COLLECTIONS 2835148.
ADJUSTMENTS. 624647.
GROSS COLLATERAL 30810271.
INELIGIBLE 07/13 5738535.
PAST DUE MORE THAN DAYS06/30 3539782. 21531951.
NET COLLATERAL
DISCOUNT %
EQUITY 20% 4306390.

A/C REC AVAILABILITY 17225561.

LOAN ACCOUNT BAL 07/01/71. [illegible] CR
ADVANCES
NET COLLECTIONS
ADJ FC

CURRENT LOAN BALANCE ~~[illegible]~~ 18914896

AVAIL ON RECEIVABLES ~~[illegible]~~ 1689335

OTHER COLLATERAL % AVAILAB

TOTAL AVAILABILITY ~~[illegible]~~ 1689335

ADDITIONAL ITEMS NOT INCLUDED ABOVE

AMOUNT REQUESTED $

APPROVED A/C EXEC 750000

V.P.

ADDTL REC PROMISED

[illegible]

SALES			
CRED			
NET SALES			
PAST DUE			
INELIGIBLE		666	1066720
TOTAL NET			
LESS RESERVE			
CASH			

TOTAL AVAIL FOR ADVANCE 622615

CA 3151

P. EXH 647 RB
10/24/74

```
  ACCTS REC COLL BAL  , 07/01/71 535 , 7,517,717.
1244 SALES 6,196,206./CRED 589,294./ 5,606,912.
1118-1214 IN-PROCESS        939          407,102.
  1256 COLLECTIONS   .                2,835,148./
     ADJUSTMENTS                        624,647.
  GROSS COLLATERAL                                  1,411,230.
     INELIGIBLE                 07/295,738,538.
     PAST DUE MORE THAN 060 DAYS06/30         .
  NET COLLATERAL                                    4,327,309.-
     DISCOUNT      *                    '     .
     EQUITY     20 %             .      865,461.
                                                         A/C REC AVAILABILITY 5,192,769.-
  LOAN ACCOUNT BAL     07/01/71       9,299,292.
     ADVANCES                         3,375,007.
     NET COLLECTIONS                . 2,759,403.
     ADJ           .     FC        .          .

                                                         CURRENT LOAN BALANCE 9,914,896.

                                                         OVERDRAFT               15,107,665.-DEB

  OTHER COLLATERAL 6,425,257.
                                 000 % AVAILAB           OTHER COLLATERAL                .

                                                         OVERDRAFT               15,107,665.-DEB


                                               ADDITIONAL ITEMS NOT INCLUDED ABOVE
  ****************************************************************************************************
   AMOUNT REQUESTED  $                     *SALES     *           *           *           *
                                           *          *************           *           *
   APPROVED  A/C EXEC                      *CRED      *           *           *           *
                                           *          *************           *           *
   V.P.                                    *NET SALES *           *           *           *
                                           *          *************           *           *
                                           *          *           *           *           *
                                           *PAST DUE  *           *           *           *
  ******************************************          *           *           *           *
   ADDTL REC PROMISED                      *INELIGIBLE*           *           *           *
                                           *          *************           *           *
                                           *TOTAL NET *           *           *           *
  ******************************************          *           *           *           *
   MISSING RECEIPTS                        *LESS RESERVE*         *           *           *
  ******************************************          *************************           *
   FIGURES / CHECKED                       *CASH     $*                       *           *
  ******************************************          *************************           *
   CHECK ISSUED                            *                                  *           *
  ******************************************                                  *************

                                          TOTAL AVAIL FOR ADVANCE             *************
```

A 3452

```
07/[illegible]/71          [illegible]   DELUXE [illegible]

ACCTS REC COLL BAL   07/01/71        8,403,547.
    SALES            . CRED
    IN PROCESS
    COLLECTIONS
    ADJUSTMENTS                                  8,403,547.
GROSS COLLATERAL
    INELIGIBLE                 06/30
    PAST DUE MORE THAN      DAYS07/263,539,782.  4,863,765.
NET COLLATERAL
    DISCOUNT          %
    EQUITY        20  %             972,753.
                                                     A/C REC AVAILABILITY 3,891,012.
LOAN ACCOUNT BAL     07/01/71        9,000,000.
    ADVANCES
    NET COLLECTIONS
    ADJ                FC
                                                     CURRENT LOAN BALANCE 9,000,000.

                                                     OVERDRAFT              5,108,988.-DEB

OTHER COLLATERAL              % AVAILAB

                                                     OVERDRAFT              5,108,988.-DEB

                                         ADDITIONAL ITEMS NOT INCLUDED ABOVE

 AMOUNT REQUESTED  $                   *SALES
 APPROVED   A/C EXEC                   *CRED
 V.P.                                  *NET SALES
                                       *PAST DUE
                                       *INELIGIBLE
 ACCTS REC PROMISED                    *TOTAL NET
                                       *LESS RESERVE
 MISSING RECEIPTS                      *CASH          %
 FIGURED / CHECKED
 CHECK ISSUED
                                    TOTAL AVAIL FOR ADVANCE
```

A 3153

```
[illegible]      664   OVERFLOW ON ACCT. 667                                    GROUP  :      / /

ACCTS REC COLL BAL   07/01/71      6,995,494.
   SALES        . CRED        .              .
   IN PROCESS                                .
   COLLECTIONS                               .
   ADJUSTMENTS                               .   6,995,494.
GROSS COLLATERAL
   INELIGIBLE                   03/16        .
   PAST DUE MORE THAN      DAYS03/16         .   6,995,494.
NET COLLATERAL
   DISCOUNT         %                        .
   EQUITY       20  %             1,399,098.
                                                    A/C REC AVAILABILITY 5,596,396.
LOAN ACCOUNT BAL     07/01/71                .
   ADVANCES                                  .
   NET COLLECTIONS                           .
   ADJ          .   FC        .              .
                                                    CURRENT LOAN BALANCE      .

                                                    AVAIL ON RECEIVABLES 5,596,396.

OTHER COLLATERAL        .
                                 % AVAILAB

                                                    TOTAL AVAILABILITY   5,596,396.

                                    ADDITIONAL ITEMS NOT INCLUDED ABOVE
***************************************************************************************
 AMOUNT REQUESTED  $                  *SALES       *          *       *          *
                                      *            ************       *          *
 APPROVED  A/C EXEC                   *CRED        *          *       *          *
                                      *            ************       *          *
 V.P.                                 *NET SALES   *          *       *          *
                                      *            ************       *          *
                                      *                       *       *          *
                                      *PAST DUE    *          *       *          *
**************************************                        *       *          *
 ADDTL REC PROMISED                   *INELIGIBLE  *          *       *          *
                                      *            ************       *          *
                                      *TOTAL NET   *          *       *          *
**************************************             *          *       *          *
 MISSING RECEIPTS                     *LESS RESERVE*          *       *          *
**************************************             ********************          *
 FIGURED / CHECKED                    *CASH        *                  *          *
**************************************             ********************          *
 CHECK ISSUED                         *                               *          *
**************************************                                ************
                                  TOTAL AVAIL FOR ADVANCE .           ************
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A 3154